



Ethics Policy <ethics.policy@lacity .org>

Re: Policy Update - July 2017

Fri, Jul 14, 2017 at 8:29 AM

[REDACTED]
To: Ethics Policy <ethics.policy@lacity.org>

Good morning, Ethics Commission, and thanks for asking.

With respect to quarterly disclosures, I would like to see more specificity in terms of issues and agencies lobbied. In particular:

1. Presently lobbying firms and employers have to disclose projects and issues but individual lobbyists do not. I would like to see individuals disclose projects and issues as well.

2. I would like to see more detail with respect to agencies lobbied. For instance, knowing that an entity lobbied "City Council" is not very helpful in tracking their activities via the Public Records Act or through the council file system. If they could disclose exactly which officials or employees they met with, or second best at least which Council districts and subdivisions of agencies they lobbied, it'd be extremely useful. Ideally I'd like to see a list of all individual City officials that each lobbyist met with. I realize that probably this isn't feasible, but any additional information would be useful.

3. I'd like to see stricter standards for project descriptions for all lobbying entities. Just for instance, I've attached Liner LLP's Q1 disclosure. They list projects such as "Koreatown" and "DTLA." How is anyone supposed to figure out what that means? And they're in no way unique. Descriptions are often this vague. I'd like to see at a minimum CF numbers or other reference numbers for every project. Ideally I'd like to see enough information for projects and for agencies lobbied so that I can frame a sufficiently specific CPRA request on the issue. An actual description of what the lobbying entities are trying to achieve would also be extremely useful.

Thanks again,

Adrian Riskin



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296K



Ethics Policy <ethics.policy@lacity .org>

Lobbyist Disclosure Reports - Comments

1 message

Craig Lawson [REDACTED]
To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>

Sat, Jul 15, 2017 at 2:56 PM

City Ethics Commission Members,

I am a registered lobbyist with the City of Los Angeles, and have been for many years.

I have several concerns about the lobbyist disclosure reports, as follows:

Client Registrations Expire on December 31: We register our Clients throughout the year, but those registrations are only valid until December 31 of that year. Even if we register a Client on December 1, it becomes void at that end of that month. This creates a lot of extra work, with no benefit to the public. The Client Registrations should roll over to the next year, and should continue until we are no longer representing that Client. I know that the City Ethics Commission wants to collect the \$75 annual fee per Client, and I don't mind paying that fee, but the re-registration process takes a lot of time. We shouldn't have to re-register ongoing Clients each year.

Amount Paid to Lobbyists: Each quarter we have to report the amount paid to in-house lobbyists as well as non-lobbyist employees. Since we only have three in-house lobbyists, by reporting the amount paid, it's pretty easy for anyone to figure out how much each of our lobbyists is paid. This is a violation of privacy, and further, there is no public value in learning this information. Reporting what our clients are paying us is one thing, but reporting what we pay to our employees should not be public information.

Reporting Client Information: We work with a number of individuals, partnerships, and trusts who work very hard to maintain their personal privacy (almost impossible these days). I don't mind reporting the name of our Client, but reporting their address and phone number is excessive. More and more of our clients are using their cell phones as their primary phone numbers, and reporting that number makes it available to anyone who can use Google to search the Internet. I know that the Ethics Commission staff is "redacting" some of the client addresses, but they need to do the same with phone numbers, and they should justify why we need to provide this information.

Lobbyists Who Don't Register: I am seeing more and more "lobbyists" who are choosing not to register as "lobbyists". Some of them are lawyers, but most of them are advocates, zoning consultants, expeditors, and architects who are doing the same work that we do, but are not registering with the City Ethics Commission. A regular review of the City Planning Commission and PLUM Committee Agendas will yield names of various unregistered lobbyists. More enforcement is needed in this area.

Thank you for your time.

Regards,

Craig Lawson

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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Ethics Policy <ethics.policy@lacity.org>

Re: Draft Lobbying Ordinance

[REDACTED]
To: Ethics Policy <ethics.policy@lacity.org>

Sat, Aug 5, 2017 at 6:17 PM

Hi CEC,

This is excellent work, thanks. I have one small addition I'd like to see. In your proposed 48.07(C)(5)(d) I'd like to see the former City employee's last rank or ranks in addition to their last date of service.

This is necessary for checking Revolving Door compliance and, I can tell you from experience, is not always easy information to get out of the City itself.

Thanks again for putting all this together, fingers crossed!

Adrian Riskin

On Sat, Aug 5, 2017, at 05:58 PM, Ethics Policy wrote:

> To view your newsletter go to
[REDACTED]



Fwd: New LAMLO released and possible vote this Tuesday

----- Forwarded message -----

From: **Michele Prichard** <mprichard@libertyhill.org>

Date: Fri, Aug 11, 2017 at 3:21 PM

Subject: New LAMLO released and possible vote this Tuesday

To: [REDACTED]

Cc: Nona Randois <nona@afj.org>, Shyaam Subramanian <shyaam@afj.org>

Hi Serena, thank you for meeting with me and the staff attorneys from Alliance for Justice last fall. As you may recall, we had some serious concerns about how proposed changes to the LAMLO might affect the nonprofit sector, especially small organizations. A draft LAMLO was released this week with some significant changes to the current version. We assumed it was just being introduced to open the discussion but we are concerned that the agenda suggests you may take a vote. I think this does not allow sufficient time for public comment and discussion. I have not been able to give the new policy a careful read yet but AFJ has done so and is very concerned. I am on vacation and AFJ is away at a conference through Monday. However we would be grateful to talk briefly over the weekend or on Monday if you have time. Please let us know. Thank you very much.

Michele Prichard, 323-556-7200 ext. 229
Director, Common Agenda

PLEASE NOTE OUR NEW ADDRESS AND TELEPHONE INFORMATION!

Do you really need to print this out?



August 14, 2017

Jessica A. Levinson
President, Ethics Commission
200 N. Spring Street
Los Angeles, CA 90012

Subject: Lobbying requirements policy update

Dear President Levinson:

Our coalition of businesses and non-profit organizations is writing to express our concern with the direction of the City Ethics Commission's proposed policy update, released July 2017. We recognize and support the Commission's desire to develop clear and verifiable rules for lobbyists and lobbyist employers to follow—rules that give the city's residents confidence in the honest and transparent operation of their local government. Unfortunately, we do not believe this package of rules achieves that goal.

We are worried that the recommendations contained in this update do not acknowledge many of the practical realities of lobbyist and advocacy work, and we would like to work with the Ethics Commission to provide input. Further, we believe all parties would benefit from clear explanations as to what problem each proposal is designed to solve, and how each change would produce improved outcomes going forward. Compliance is our chief priority, and we hope to ensure that reporting requirements are not changed in ways that create new barriers to achieving that goal.

Below we have outlined some of the most significant concerns raised by the proposed policy update.

Requiring disclosure of job titles and dates of contact for every city official or employee

Currently, lobbyists and lobbyist employers are required to record every issue they lobby during the reporting period, and to list every department or office of the City contacted for each lobbying activity. The proposed policy update would add to these reporting requirements the job titles of every City contact and the date of contact with each individual.

Approaching this from the perspective of the Ethics Commission, it is not clear what problem this proposal is intended to solve. Reporting the issues and departments lobbied during the reporting period already gives the public adequate information to evaluate the activities of lobbyists and lobbyist employers. Requiring job titles and dates of contact would mainly serve to invite minor "gotcha" complaints by legislative and/or political opponents, absorbing City staff time with evaluations of inconsequential complaints rather than investigating valid and substantial ethics violations that may occur.

From the perspective of lobbyists and lobbyist employers, this proposal creates a reporting obligation that is almost impossible to comply with on a consistent basis. It is reasonable for the City to expect lobbyists to know which issues they have lobbied on and which departments and offices they've been in contact with. To be able to track every person that may have briefly entered a meeting, attended a conference call, or been cc'd on an email—then to assign a date and title to each of those individuals, and to do so with perfect fidelity—exceeds reasonable expectations. It opens the door to significant liability on the part of lobbyists and their employers, with no obvious gain to the public's understanding of their local government's activities.

Allowing private citizens to bring lawsuits against alleged violators

As discussed above, the policy update proposes to dramatically increase the complexity and detail of the lobbyist's reporting requirements. At the same time, it would open lobbyists up to much greater legal liability on these very same matters.

If the proposed change went into effect, ethics complaints would transform into a veritable cottage industry of legal challenges to lobbyist reports, most of them focused on job title and date violations that would be unavoidable (in some small but meaningful number) due to the detail and precision required by the new rules. We believe these technical challenges would have no resemblance to what the average person would consider a genuine violation of ethics, yet they would account for an ever-growing share of staff time for lobbyists and for City staff.

Reducing lobbying report filing deadlines from one month to 10 days

Filing lobbyist reports is already a complex and time-consuming process, requiring time for employees to detail their activities and departmental contacts, review with colleagues, and have their records compiled and verified by legal consultants. Even today, 10 days is too little time to complete this work in a diligent and comprehensive manner. In tandem with the other policy changes proposed by the Ethics Commission, it would become all but impossible.

Taken together, these proposals would increase the reporting workload for lobbyists and lobbyist employers by an order of magnitude, reduce the time allotted for compilation and review of reporting documents by nearly 70%, and open the doors to a flood of legal challenges when lobbyists inevitably fail to produce these documents—free of any errors or oversights—in the short time they're granted. This is a recipe for confusion and antagonism that we sincerely hope to avoid.

Going forward, we hope that the Ethics Commission will take these concerns seriously and give them the consideration they are due. The goal of reporting requirements should be accountability and compliance; they should not be punitive or default to an assumption of guilt or wrongdoing. We are confident that the City can achieve a compliance environment where those values can be secured, and if there are specific areas where the Commission feels that we are falling short, we welcome an open discussion about how those issues can be addressed.

Thank you very much for your consideration.



Jessica Lall
President & CEO
CCA



Gary Toebben
President & CEO
LA Area Chamber of Commerce



Stuart Waldman
President
VICA

Cc: Serena Oberstein, Vice President
Melinda Murray, Commissioner

Araceli Ocampos, Commissioner
Andrea Sheridan Ordin, Commissioner



Fwd: Regarding the Los Angeles Municipal Lobbying Ordinance

----- Forwarded message -----

From: **Serena Oberstein** [REDACTED]

Date: Mon, Aug 14, 2017 at 9:16 PM

Subject: Re: Regarding the Los Angeles Municipal Lobbying Ordinance

To: Michele Prichard <mprichard@libertyhill.org>

Cc: [REDACTED]

[REDACTED], Nona Randois (nona@afj.org) <nona@afj.org>, Shyaam Subramanian (shyaam@afj.org) <shyaam@afj.org>

Michelle,

I'm so sorry I'm only responding now. I spent the weekend moving and fell behind in my emails.

I'm reading your previous email along with Shayyam's comments and will take consideration of the information provided.

There is a vote to approve recommendations by staff, but the overall ordinance will not be voted on for some time.

I'm available by cell tomorrow morning before the meeting: [REDACTED]

Best,

Serena

Sent from my iPhone

On Aug 12, 2017, at 9:39 AM, Michele Prichard <mprichard@libertyhill.org> wrote:

Hi Serena,

As a follow up to my email yesterday, I wanted to share the concerns of my colleagues at Alliance for Justice, detailed below. We really hope that there is no vote on Tuesday as there has been very insufficient time for public comment.

Thanks so much. I cannot be there on Tuesday to comment, but will be submitting comments later and will hope to attend a future meeting.

Best,
Michele

Michele Prichard, 323-556-7229

Director, Common Agenda



[Website](#) | [YouTube](#) | [Facebook](#) | [Twitter](#)

From: Nona Randois [<mailto:nona@afj.org>]
Sent: Friday, August 11, 2017 2:54 PM
To: Michele Prichard
Subject: FW: Regarding the Los Angeles Municipal Lobbying Ordinance

FYI

From: Shyaam Subramanian
Sent: Friday, August 11, 2017 2:33 PM
To: ethics.policy@lacity.org
Cc: Nona Randois
Subject: Regarding the Los Angeles Municipal Lobbying Ordinance

Thank you for the opportunity to comment. We appreciate that City Ethics Commission staff met with advocates in the nonprofit community to hear comments and concerns regarding the Los Angeles Municipal Lobbying Ordinance (MLO), and for staff's thoughtful consideration of the MLO's effect on the nonprofit community in the City of Los Angeles.

We understand and share the City Ethics Commission's interest in meaningful lobbying disclosure. However, even if the Commission is unable to recommend a blanket 501(c)(3) exemption, we believe

staff's proposed 501(c)(3) exemption does not strike the right balance between the burden of regulation and the benefit of disclosure, for several reasons:

- **Proposals for "indirect lobbyists" impose increased burdens on the nonprofit community.** While staff proposes to raise the registration threshold for a lobbyist to \$5,000 per calendar year, staff proposes to *lower* the threshold for an "indirect lobbyist" (currently a "major filer") to \$5,000 per calendar year from \$5,000 per calendar quarter. Staff also proposes to require indirect lobbyists to register and pay a \$450 fee, which is currently not required for major filers. This is in addition to proposals to require more frequent lobbying reports, for every two-month period. This would especially burden smaller nonprofits who may only be informing underrepresented community members about pending City matters and asking them to convey their concerns or support. 501(c)(3) organizations may be required to pay the registration fee, maintain recordkeeping systems, and report regularly even if they never communicate with a City official. Given that the activities of a lobbyist and an indirect lobbyist may be different, they are not similarly situated and should not be treated the same. Coupled with the broad definitions of "attempting to influence a City matter", and other compliance obligations nonprofits have, these proposals would unreasonably stretch the limited resources of 501(c)(3)s advocating in the City.

- **Maintaining the requirement for a 501(c)(3) to receive "government funding" reduces the value of the exemption and differs from previous versions of the recommendation.** The requirement for a 501(c)(3) to receive government funding to be exempt was not present in earlier staff recommendations. At a time when government funding is being reduced, this means the exemption is also too limited to meaningfully alleviate the burdens of compliance.

- **The proposed 501(c)(3) exemption is unnecessarily complex.** The last two sentences in the proposed exemption provide that, "This exemption applies to the organization's employees engaged in the same activity. This exemption does not apply to other action by the organization and its employees, including but not limited to seeking City funding." Even read with the rest of the exemption language, it's unclear what "the same activity" refers to and would create confusion for 501(c)(3)s trying to determine if they are exempt. While we appreciate staff's offer to assist organizations with compliance, unfortunately we believe it is unrealistic to expect that tens of thousands of 501(c)(3)s advocating in the City will (or know to) call the City Ethics Commission staff for every lobbying question or to confirm they are exempt. It is also unrealistic to expect that these organizations will be able to afford to hire an attorney to help them answer this question. Also, while staff can assist organizations with MLO compliance, the compliance burden is also establishing recordkeeping systems that *also* allow 501(c)(3)s to meet their other obligations, such as IRS lobbying or grant reporting.

Therefore, we recommend that in addition to the proposed exemption, the Commission consider:

- **An exemption for smaller 501(c)(3)s, as measured by budget size.** This would alleviate the burdens of recordkeeping, reporting, and registering imposed by the MLO, and offers additional clarity for 501(c)(3)s to know if they are exempt.

- **Not changing the reporting threshold for, or imposing a requirement to register on, "indirect lobbyists" (currently "major filers").** We do not believe the standards for an "indirect lobbyist" ought to be aligned with the standards for a lobbyist, lobbying firm, or lobbyist

employer because they may be engaged in different types of activities.

Additionally, we recommend the following changes to the proposed 501(c)(3) exemption:

- **Removing the requirement for a 501(c)(3) to receive “government funding” to qualify for the 501(c)(3) exemption.** This was not included in previous staff proposals, and is unnecessarily restrictive.
- **Clarify 501(c)(3) exemption by changing last sentence to read “The exemption would not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.”**

Finally, we feel that there are significant changes from past staff proposals and many ideas presented today for the first time. The timeframe and content of this discussion differ from what has been shared with the public over the last year. Therefore, we feel it is premature to vote on the proposed language at this time.

Sincerely,

Shyaam Subramanian
Southern California Counsel
Alliance for Justice
1000 N. Alameda Street | Suite 340 | Los Angeles, CA 90012
Tel: (213) 225-6843 | Fax: (213) 808-1009
www.afj.org
bolderadvocacy.org



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Fwd: Meeting

----- Forwarded message -----

From: **Rob Quan** [REDACTED]
Date: Wed, Aug 15, 2018 at 4:17 PM
Subject: Re: Meeting
To: [REDACTED]

Sorry for the error but I actually gave you the wrong suite number, the LWVLA's office has moved to suite 1200. Show ID at security and say you have a meeting in the League of Women Voters office on the 12th floor.

-Rob

On Wednesday, August 15, 2018, Rob Quan [REDACTED] wrote:
Sounds great, no problem if you end up running a bit late. There's a lot of metered parking nearby, and League's office is on the [3rd floor \(3303 Wilshire Blvd, Suite 310, 90010\)](#)

Feel free to keep us posted via email or cell ([REDACTED]). Thanks again, and we look forward to meeting with you tomorrow.

-Rob

On Wed, Aug 15, 2018 at 12:10 PM Serena Oberstein [REDACTED] wrote:
The League of Women Voters office works, but I'm coming from the north Valley. I can't leave the house until 8:15 so may need a window of 15 min. I'll keep you posted on traffic but can arrive between 9:30 and 9:45.

Thanks,

Serena

On Tue, Aug 14, 2018 at 1:24 PM, Rob Quan [REDACTED] wrote:
Let's do 9:30am. Would the League of Women Voters of LA office work for you ([3303 Wilshire Blvd, Suite 310](#))?

It's within 10-15 minutes of downtown LA and also near the red/purple lines at Wilshire and Vermont. I know you said you it would need to be near downtown LA. I think we should be able to wrap up by 10:30am. Let me know if that works for you. Otherwise we can make Le Pain work.

Thanks,
Rob

On Tue, Aug 14, 2018 at 12:10 PM Serena Oberstein [REDACTED] wrote:

Hi Rob,

9:30am on Thursday works well. I'm not able to reserve a room in City Hall.

How about Le Pain Quotidian on 6th? They have family style tables that will accommodate a large group of people.

I look forward to meeting on Thursday.

My best,

Serena

Sent from my iPhone

On Aug 13, 2018, at 12:59 PM, Rob Quan [REDACTED] wrote:

Commissioner Oberstein,

Thank you for following up, and being willing to meet with us this week. Let's do Thursday at 9:30am in Downtown LA. I touched base with Sylvia Moore from CA Common Cause and that works for her as well.

I'm not sure how many many of us will be attending but I would assume it will be around 4-8 total (I'll try to gather a head count over the next day. Would we be able to meet at a room in City Hall?

Best Regards,
Rob Quan

On Mon, Aug 13, 2018 at 10:21 AM Serena Oberstein [REDACTED] wrote:
Rob,

I received your information and a request to meet from David Tristan. I'm happy to get together in the coming days. My schedule is relatively flexible tomorrow, other than a lunch on the Westside. I also have availability this Thursday from 9:30-11am although I need to be close to downtown.

Please let me know if either of these dates/times work for you.

My best,

Serena

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Serena Oberstein, MPA
Ethics Commissioner, Los Angeles
[REDACTED]

Serena Oberstein, MPA
Ethics Commissioner, Los Angeles
[REDACTED]



The voice for California's
nonprofit community.

www.calnonprofits.org



October 10, 2017

Los Angeles City Ethics Commission
200 North Spring Street
City Hall, 24th Floor
Los Angeles, CA 90012

Dear City Ethics Commissioners,

Thank you for this opportunity to comment on the City Ethics Commission's review of the Los Angeles Municipal Lobbying Ordinance (MLO), and for hosting an interested persons meeting focusing on input from the nonprofit community.

California Association of Nonprofits (CalNonprofits) is a statewide policy alliance of more than 10,000 organizations representing and promoting California's nonprofit sector. In the City of Los Angeles alone, there are more than 6,000 501(c)(3) organizations (not including religious congregations). Many of these are small, grassroots organizations, with diverse missions, ranging from homeless shelters and food pantries, immigrant service groups, after-school programs and more.

Nonprofits are tightly regulated at all levels of government, a fact that sometimes goes unnoticed. For instance, there are federal rules that already specifically limit the type and amount of lobbying a nonprofit 501(c)(3) organization can do, and this must be tracked and reported to the IRS. In fact, recognizing how complex and challenging the various rules can be, CalNonprofits has a webpage dedicated to helping nonprofits stay in compliance with the array of state, federal and local rules that may impact them.

Unfortunately, the proposed new language for the LA MLO would make it more complicated for nonprofits to engage in advocacy, since it contains new administrative burdens, such as expanded registration and reporting requirements, and risk of litigation for nonprofits. This could have the effect of deterring nonprofits from engaging in advocacy that could benefit the communities they serve, at a time when advocacy is needed more than ever. In a survey that CalNonprofits conducted of over 800 nonprofits in March 2017, "Government in Transition; Nonprofits in Transition," we found that two-thirds of respondents were experiencing increased levels of staff anxiety since the election, with concern about the impact on immigrants voiced with particular urgency, and 65% who received government funding said they anticipate less funding in the next 12 months.

Therefore, CalNonprofits urges the Commission to address the following concerns that we and other nonprofits have raised regarding proposed changes to the MLO.

The proposed 501(c)(3) exemption is very narrow and unclear. A blanket exemption for 501(c)(3) organizations is both the easiest to administer and clearest for nonprofits advocating in the City. Such an exemption would read:

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

Alternatively, if the Commission is unable to recommend a blanket exemption for 501(c)(3) organizations, we believe that the language below strikes an appropriate balance between increased disclosure and reducing burdens on organizations advocating on behalf of underserved communities.

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that:

1. Provides assistance, such as food, clothing, shelter, child care, health, legal, vocational, relief, educational, and other similar assistance to disadvantaged people for free or at a below-market rate;
2. Engages disadvantaged or underrepresented people in City decision-making or promotes building healthy communities; OR
3. Has gross receipts of less than \$2.5 million.

This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

Proposals for "indirect lobbyists" would disproportionately burden nonprofit

organizations. 501(c)(3) organizations in Los Angeles often educate community residents on pending City matters, inform them of opportunities to comment, and are a trusted source of information on how policy proposals could impact communities. In these activities, organizations may be interested in empowering the public and not communicating with City officials directly. Still, under proposals for "indirect lobbyists", these organizations may have to register, file regular reports, and pay a \$450 registration fee, even if they never communicate with City officials. The threshold for reporting would also be significantly reduced from current thresholds, from \$5,000 in a calendar quarter to \$5,000 in a calendar year. These proposals would chill advocacy that is meant to engage City residents in the voicing their concerns to decision-makers on issues that affect their lives. The threshold for reporting as an "indirect lobbyist" should remain the same as it currently is for Major Filers, and reporting should remain on a quarterly basis to be consistent with state and other reporting regimes to reduce administrative burdens.

The proposal for a private right of action could expose nonprofit organizations to harassment from moneyed interests. Allowing private individuals to sue people who fail to register and report properly could open up smaller nonprofits and others with controversial or unpopular ideas to harassment through expensive or even frivolous lawsuits by moneyed interests. This would discourage groups that may not have the resources to hire a law firm to either file regular lobbying reports or defend the nonprofits from lawsuits. In turn, City officials may not hear much-needed perspectives during policy debates. The proposed language in Sec.

48.11B1 which allows any “person residing within the City” to bring a civil action, and in Sec. 48.11(B)(4) which would allow a private plaintiff to receive 50 percent of a judgment should be struck from the proposal.

Further, it is important to note that most nonprofits do not have in-house lobbyists or advocates, in-house legal counsel, or even finance or accounting departments. It is difficult enough to raise funds to carry out their core work to serve their communities, who are often marginalized and underrepresented. More complex and burdensome lobbying rules will force these community-based organizations to back off from engaging in advocacy if the costs become prohibitive. This would be an enormous loss for all of us in the City of Los Angeles, because we would be denied input on key policy issues from on-the-ground, trusted and engaged community members.

We urge the Commission to balance the need for information on lobbying with the reality of limited resources and expertise in the nonprofit sector.

Sincerely,

A solid black rectangular box used to redact the signature of Nancy Berlin.

Nancy Berlin
Policy Director



Ethics Policy <ethics.policy@lacity .org>

lobbying regulations

John Okulick [REDACTED]
To: ethics.policy@lacity.org

Tue, Aug 22, 2017 at 11:04 AM

Dear commissioners,

Lobbyists should be recognized by money compensation. This is the only transparent way for the public to view city government activities with lobbyists. Example includes Tara Devines lobbyist activities with the Venice Beach BID and others, that included collusion with the city clerk and Mike Bonin's office involvement with property assessments for non business activities with no accountability.

Sincerely,

--

john okulick

Daniel Park

August 30th, 2017

VIA EMAIL - ethics.policy@lacity.org

City Ethics Commission
200 N Spring St 2410
Los Angeles, CA 90012

RE: In support of proposed changes to the Los Angeles Municipal Lobbying Ordinance [LAMC §48.08\(B\)\(12\)](#)

Members of the City Ethics Commission,

My name is Daniel Park and I am a resident of Los Angeles. I respectfully ask that my letter and its contents be included in this case file and also in the staff report for the October 17th hearing. Please see my comments below.

I have been following the organizing efforts of Skid Row residents to form their own neighborhood council. Shortly after their election on April 6th 2017, the blog michaelkohlhaas.org reported that several lobbyists were hired by an anonymous Delaware-established LLC to influence members of the City Council to make last-minute changes to their election for the purpose of suppressing mainly low-income and African American voters Downtown.

"It's quite plausible that a more timely disclosure of this information would have changed the outcome of the election." - michaelkohlhaas.org August 19th, 2017

Therefore, I support the below changes to the Los Angeles Municipal Lobbying Ordinance:

- Detailed reporting of contacts including names and titles of City officials influenced.
- Bimonthly reporting of lobbying activity rather than quarterly.
- Compensation-based requirement for registration rather than time-based.
- Ten day deadline for reporting rather than the month that's now required.

Thank you for your consideration,

Danny Park

Katherine McNenny



August 30th, 2017

VIA EMAIL – ethics.policy@lacity.org

City Ethics Commission
200 N Spring Street, Suite 2410
Los Angeles, CA 90012

RE: In support of proposed changes to the Los Angeles Municipal Lobbying Ordinance [LAMC §48.08\(B\)\(12\)](#)

Dear Commissioners,

My name is Katherine McNenny and I am a resident of Los Angeles. I respectfully ask that my letter and its contents be included in this case file and also in the staff report for the October 17th hearing. Please see my comments below.

I have been a property owner and full-time resident of the Skid Row neighborhood in Downtown for 7 years. I work as a Patternmaker in the garment industry and co-founded Industrial District Green, an organization that plants and cares for trees in the area. I have also dedicated a lot of my free time towards forming the “Skid Row Neighborhood Council” because frankly- even though hundreds of millions of dollars flow into the area yearly- somehow the conditions in the streets and in several of the local shelters and low-income hotels remains substandard. From my perspective, what has been sorely lacking is a true political voice from the community that could communicate directly with City Hall. I am proud to be a part of this grassroots resident-led movement.

As civically engaged citizens of Los Angeles, you all must be aware of the long-standing and deeply complex issues that Skid Row has faced and continues to wrestle with. When deciding on changes to the Municipal Lobbying Ordinance, I would simply ask that you consider what recently happened to my community.

Shortly after April 6th 2017, the blog michaelkohlhaas.org reported that **several lobbyists were hired by an anonymous Delaware-established LLC to influence members of the City Council to make last-minute changes our Skid Row Neighborhood Council election for the purpose of suppressing mainly low-income and African American voters Downtown.**

“If you’re wondering how important this issue is, just think back to the recent episode of the [Skid Row Neighborhood Council](#) formation effort. There we saw [massive illegal lobbying efforts](#) directed...to subvert the subdivision election on behalf of [anonymous clients](#) who paid [more than \\$45,000](#) for this service and whose identities, despite the requirements of the MLO, are still unknown to the public. It’s quite plausible that a more timely disclosure of this information would have changed the outcome of the election.” - michaelkohlhaas.org August 19th, 2017

“The mega-lobbying firm [Liner LLP](#) started lobbying against the SRNC [in February 2017](#). If we’d had this proposal in place then they’d have had to disclose this by March 10, which would have allowed the SRNC

formation committee almost a month before the disastrous April 6 election to counter the [egregious lies spread by Liner's lobbyists.](#)" - michaelkohlhaas.org August 30th, 2017.

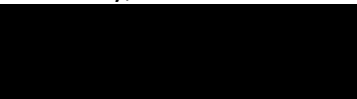
This was done through the allowance of on-line voting for our election, even though our community had already officially weighed in that we did not want this because that vast majority of Stakeholders in Skid Row do not have easy access to a computer. In fact, online voting was at the time of our election banned City-wide. But, through targeted "invisible" lobbying efforts, that we only found out about after our election was over- online voting was allowed less than two weeks before our election day. The results of this lobbying done to squash the Skid Row community's voice were devastating- we lost by a mere 60 votes. Years of organizing and coalition-building went down the drain. I am still in shock that this was allowed to happen- and left wondering how can it be curtailed so that citizens of Los Angeles (not *only* the moneyed interests that can afford to spend tens of thousands of dollars on lobbyists) have a fighting chance to be heard and gain a seat at the table in important decisions that affect them. Neighborhood councils are volunteer organizations after all- no one is getting paid, they are advisory only. What happened with the Skid Row Neighborhood Council election is the only incident that I am aware of in the entire history of the NC system (15 years and counting) where paid lobbyists were allowed to influence an election. Our Skid Row Neighborhood Council-Formation Committee now has no choice but to seek legal representation in order to sue the City of Los Angeles to right this wrong.

It is imperative to the integrity of the entire neighborhood council system (not to mention any other citizen or group in Los Angeles affected by lobbying) that a full analysis of what happened with regards to lobbying is brought to light so that no one should ever have to go through this again. Without changes to the current lobbying ordinance- this is impossible. Citizens or groups of citizens should not have to sue the City of Los Angeles to determine if lobbying efforts undermined their advocacy work or other community efforts- especially if the community is comprised of low-income people who already struggle simply trying to ensure that their neighborhood receives its fair share of City services.

Therefore, I support the below changes to the Los Angeles Municipal Lobbying Ordinance:

- Detailed reporting of contacts including names and titles of City officials influenced.
- Bimonthly reporting of lobbying activity rather than quarterly.
- Compensation-based requirement for registration rather than time-based.
- Ten day deadline for reporting rather than the month that's now required.

Sincerely,



Katherine McNenny





Ethics Policy <ethics.policy@lacity .org>

In support of proposed changes to the Los Angeles Municipal Lobbying Ordinance LAMC §48.08(B)(12)

1 message

To: ethics.policy@lacity.org

Thu, Aug 31, 2017 at 3:32 PM

Henriëtte Brouwers

[REDACTED]

[REDACTED]

[REDACTED]

August 30th, 2017

VIA EMAIL – ethics.policy@lacity.org

City Ethics Commission

200 N Spring St 2410

Los Angeles, CA 90012

RE: In support of proposed changes to the Los Angeles Municipal Lobbying Ordinance [LAMC §48.08\(B\)\(12\)](#)

Members of the City Ethics Commission,

My name is Henriëtte Brouwers and I work in in the City of Los Angeles. With Los Angeles Poverty Department I work with affected residents in Skid Row and I am a stakeholder for the Skid Row Neighborhood - Formation Committee. I respectfully ask that my letter and its contents be included in this case file and also in the staff report for the October 17th hearing. Please see my comments below.

I have been following the organizing efforts of Skid Row residents to form their own neighborhood council. Shortly after their election on April 6th 2017, the blog michaelkohlhaas.org reported that several lobbyists were hired by an anonymous Delaware-established LLC to influence members of the City Council to make last-

minute changes to their election for the purpose of suppressing mainly low-income and African American voters Downtown.

“It’s quite plausible that a more timely disclosure of this information would have changed the outcome of the election.” - michaelkohlhaas.org August 19th, 2017.

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- Bimonthly reporting of lobbying activity rather than quarterly.
- Compensation-based requirement for registration rather than time-based.
- Ten day deadline for reporting rather than the month that’s now required.

Thank you for your consideration,

Henriëtte Brouwers

Lo Angeles Poverty Department



Letter to the Los Angeles Ethics Commission regarding
proposed revisions to the Municipal Lobbying Ordinance

Adrian Riskin

[REDACTED]

[REDACTED]

September 12, 2017

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¹Note that [blue text](#) indicates clickable links internal to this document whereas [green text](#) indicates clickable links to resources on the Internet.

1 Proposed revisions

1.1 Definition of lobbyist

1. The current definition of lobbyists is essentially unusable from the points of view of both compliance and of enforcement. Furthermore, it creates a lot of presumably unintentional edge cases wherein two people who are very similarly situated have very different obligations under the law as it now stands. Moving to a compensation-based scheme will make both compliance and enforcement easier and will create more consistent compliance obligations.
2. First, consider compliance. People who are compensated to lobby but charge a flat rather than an hourly rate may easily and inadvertently violate the law as it now stands. For instance, suppose a person does 29 hours of lobbying activity in January including a contact and then happen to spend an hour in March monitoring a City Council meeting. This triggers the registration requirement, but it's easy to imagine that the person wouldn't realize that that extra hour so long after the bulk of the work was done created a legal obligation. In January they had no reason to track their hours and by March they may not even remember how long they worked, if they ever knew. It's likely, therefore, that the current definition increases the rate of inadvertent noncompliance. In contrast, everyone keeps close track of how much money they earn.
3. Next, consider enforcement. As above, the fact that many people who might be required to register charge on a flat-rate basis means that there may well be no records of how much time a given person is paid to attempt to influence City officials. If there are no time-sheets it's difficult, although admittedly not impossible, to prove a violation of the registration requirement. Again, though, everyone keeps track of the money they earn and because it's effectively impossible to operate outside the financial system, even if a lobbyist doesn't keep track of compensation there will be evidence held by third parties that will be available to investigators.
4. Finally, the current definition of lobbyists creates situations where similarly situated people are treated very differently under the law and in which there's no public policy being furthered by the essentially arbitrary distinctions. Just for instance, imagine that a person is paid for 100 hours of lobbying activity in January but makes no contact with City officials. They don't do any lobbying activity in February. If they make contact on March 31 to attempt to influence they're required to register. If they make contact on April 1 they're not required to register. The public either has an interest in knowing what both these people are up to or they have an interest in neither. It's impossible to imagine that there's any principled distinction between the two cases, and yet the MLO as currently configured makes a huge distinction.
5. The proposed change from a time-based registration requirement to a compensation-based requirement is in my opinion the single most important proposal currently being considered. Many of the public comments made during the current round of discussion about MLO revision have focused on getting unregistered lobbyists to register. A

number of commissioners have expressed the same concern at Commission meetings. Although some commenters seem to assume there's a dichotomy between revising the MLO and increasing the registration rate, in fact there's no way to increase the number of registrations without having crystal clear requirements that are easy to understand, easy to follow, and easy to enforce. The current language has none of these properties. The proposed language has all of them.

6. At one of the Interested Persons' Meetings I heard someone say that a compensation-based threshold was unfair because more highly paid lobbyists would qualify for registration after fewer hours than their colleagues whose time wasn't worth as much. Presumably, however, clients are willing to pay certain lobbyists more because the services they provide are more valuable. The only reasonable candidate for what creates the value of a lobbyist's work is the quality of the influence provided. Thus there's almost certainly some kind of equilibrium dollar value of a "unit of influence" determined by the market for lobbying services. It's pretty likely, therefore, that the \$5,000 registration threshold represents approximately the same amount of influence no matter how many or how few hours it's spread out over. Thus the fact that different lobbyists earn different rates isn't a reason to discard a compensation-based registration threshold.

1.2 Definition of "agency"

7. The proposal to explicitly include neighborhood councils ("NCs") in the definition of "City agency" found at LAMC §48.02 of the Municipal Lobbying Ordinance is important both to inform the general public about paid lobbying of NCs and also to inform NC board and audience members of the attempts by professional lobbyists to influence NCs and, through them, other City agencies.
8. From comments made at the Interested Persons' Meeting on September 7, 2017, it's apparent that lobbyists actively seek out NC approval for their clients' development projects. This claim is easily justified in fact as well as in theory. Just for instance, take a look at the August 2017 agenda of the PLUM committee of the Downtown Los Angeles Neighborhood Council ("DLANC"), appended here as [Exhibit 1](#) on page 13. There are six presentations from people seeking approvals of real estate matters. Each of these presentations was conducted by a paid representative. Many but not all of these representatives are or have been in the past registered with the CEC. Irrespective of their registration status, though, some time with Google reveals that all are paid for their advocacy.
9. At recent Commission meetings and Interested Persons' meetings, some commenters, and even some commissioners, have questioned the utility of disclosure and wondered who, if anyone, might be interested in the information of which the CEC was proposing to require disclosure. This is a case where, I hope, the utility is clear. The members of boards of NCs are deluged with information from paid representatives. As it stands the NC board members aren't necessarily easily able to track down who's paying whom or, more importantly, which other City agencies are being lobbied in support of projects.

10. The kind of information that would be disclosed under this proposal could be essential for helping NC board members, who have a great deal of influence and responsibility but no research staff or other investigative resources comparable to, e.g., Councilmembers, weigh the credibility of representatives, discuss representatives' presentations with other NCs or other City agencies, and so on. Transparency has intrinsic abstract value, to be sure, but in this case it has immense immediate practical value as well. This very point was discussed at the September 9 Interested Persons' Meeting on NCs and lobbying.
11. There's a lot of money at stake in these projects and in all the projects that come before NCs. There's no real reason why advocacy before NCs shouldn't require disclosure whereas advocacy before e.g. a zoning administrator or other City officials who control the early stages of projects.

1.3 Registration deadline

12. The proposal is to require lobbyists to register 10 days after they qualify rather than 10 days after the end of the month in which they qualify. I support this change for the reasons given in the staff report, to which I have only one comment to add. In various venues, comments from the public and from some commissioners have focused on the burdens which more rapid filing deadlines might impose on the "regulated community." Here there's not much of a case to be made for that. Every lobbying entity has to register but once a year and the work involved in preparing an annual registration is minimal. The benefits to the public as outlined in Arman Tarzi's report far outweigh any potential burden which this change might impose on those required to register.

1.4 Content of registration forms

13. I am in favor of the changes proposed in the staff report for the reasons given there. It's important to note that these requirements are not out of line with the rules in other cities so presumably there's a workable and profitable business model for lobbyists that can absorb whatever burden the changes might place on registrants.

1.5 Prior city service

14. The proposal here is to require lobbyists who formerly worked for the City to disclose their last date of service. The idea is to make former City employees more aware of their obligations under the so-called Revolving Door Ordinance ("RDO").
15. I support this proposal, but I think it does not go far enough. I encourage you all to amend your proposal to, in addition, require the disclosure of the City agencies that employed the person as well as their ranks when employed. The ranks should be given in the same terms as are listed in [LAMC §49.5.13\(C\)\(1\)](#) rather than by title. That is, for instance, as Council Aide VI instead of "Deputy Chief of Planning" or whatever.

16. This information would be extremely useful to have in the proposed context for at least two reasons with respect to investigating RDO compliance:
- (a) First, because even though [LAMC §49.5.13\(E\)](#) seems to require the controller to produce a list of people at the relevant ranks and submit this list to the CEC each year, I don't think this actually happens. At least I've never been able to get a copy of this list from either the controller or the CEC, and mostly they don't seem to even know what I'm asking for. It may be that I've been asking wrong. However, even if this list were made available, having the information linked to people who are actually engaged in lobbying would make it much more useful.
 - (b) It is exceedingly difficult in practice to obtain the ranks and positions of former City employees. Just for instance I've had the controller's office tell me that they cannot even confirm that someone formerly worked for the City, let alone tell me what their rank was. They have occasionally asserted that this is private personnel information. To make matters worse, sometimes they just tell me and sometimes they refer me to other offices, e.g. the Clerk, and sometimes the Clerk just tells me. As often as not, though, no one will tell me. It's evidently not secret information, though, because occasionally the controller or the clerk will reveal it. Also, often current employees of the agencies are reluctant to reveal the ranks of their former comrades who've turned lobbyist, perhaps out of solidarity?²
17. It's my impression after a few years of research that the RDO is regularly violated, possibly on purpose, possibly by mistake. Requiring at least registered lobbyists to disclose the details of their former City employment would, therefore, not only help to raise awareness of the RDO, but also to make investigation and reporting of violations of the RDO much easier. This would, in turn, raise awareness even further and almost certainly increase compliance.

1.6 Frequency and deadlines

18. When a City matter is being considered, lobbyists attempt to influence the decision-makers. Non-lobbyists who are interested in the outcome need information on the positions the lobbyists are taking and the City officials they're contacting so that they can effectively oppose or support these efforts. Because City matters can be decided rapidly and because it takes time to turn disclosures into actionable information³ to guide political action, the faster the disclosure happens the better a position non-lobbyists are in.
19. As an example, consider the case of the Skid Row Neighborhood Council ("SRNC") formation election, which unfolded in the first four months of 2017. There was an election scheduled for April. Professional lobbying against the SRNC provably started

² Sometimes they willingly reveal them, as they should do.

³ E.g. through the California Public Record Act ("CPRA") which, even when it's uncharacteristically operating at ideal speed, rarely produces results in less than a couple of weeks. It often takes significantly longer than that, especially when, due to inadequate information in lobbying disclosures, it's not possible to frame highly specific requests.

in February and quite likely began as early as January. It involved some public contacts, e.g. comments before the Board of Neighborhood Commissioners and before the City Council’s Rules and Elections Committee, but the bulk of the attempts to influence, e.g. emails, phone calls, and private meetings with Council staff and José Huizar, would ordinarily only have been discoverable through disclosure.⁴ If the deadlines had been as proposed here the details would have had to have been disclosed by March 10, which would have given SRNC proponents four weeks prior to the election to investigate and counter lobbying activities. The present deadlines only required disclosure by May 1, almost a month after the election.⁵

20. While I would like to see disclosure be as rapid as possible, even real time, I realize that that may not be practically possible and it’s clear that that’s not politically possible. There’s nothing particularly special about bimonthly reporting and ten day deadlines except that they’re faster than what we currently have and they may be politically attainable.

1.7 Detailed reporting of contacts

21. Of all the proposed revisions to the MLO I think this is the second most important for promoting government transparency and preserving the faith of the public in their elected officials. I rank it directly after the proposed move to a compensation-based registration requirement. The fact that the present disclosure requirements are vastly inadequate has been discussed in detail at both the August Commission meeting and at at least one of the Interested Persons’ Meetings, so I won’t go over it again here. Instead, I will focus on some specific ways in which this proposal would increase transparency and also reply to two objections that have been made to the proposal.
22. The CPRA requires requests to be “focused” in the sense of identifying specific records. There’s also some common law that suggests that local agencies can deny requests on the grounds that there are too many responsive records. The City of Los Angeles routinely denies or delays the production of records on both of these grounds. Thus in order to use the CPRA effectively to investigate attempts to influence, it’s necessary to have as much information as possible in hand prior to making a request.
23. If I ask for e.g. “all emails between anyone on Council Staff and anyone at Lobbying Firm X” it will almost certainly be denied. Even if I narrow it to the typical parameters found in current disclosures my chance of receiving records promptly if at all is not high. However, if I know that lobbyist X met with staffer Y on day Z to discuss issue W I can frame a really specific request that the City is unlikely to deny, at least for the generic reasons given here.

⁴ Coincidentally I was able to obtain a lot of information about this process through CPRA, but mostly because at first it was responsive to requests I’d made for other reasons. I didn’t get anything before the middle of April, though, because I understand the extent of the lobbying prior to then.

⁵ As it happens even that deadline was unmet, leading to a number of complaints filed with CEC enforcement staff.

24. Additionally, there's a strong perception that some City officials are more friendly to lobbyists than others. It would be invaluable therefore to be able to conduct quantitative analyses on contacts between lobbyists and officials. Now this task, while it may be theoretically possible, is practically impossible due to the vast amounts of time and resources that would have to be invested in order to gather the data. Even if someone did try to collect this information via CPRA requests for staff appointment calendars and so on, there'd be no way to be sure the data was consistent across City offices given their wildly uneven policies for disclosure. If the proposal were in place, however, it would be (relatively) easy to study, e.g., how much time different Council offices, different staff members, and so on, spend with lobbyists.
25. A number of commenters have claimed that this proposal would impose an unsupportable burden on people subject to the disclosure requirements. I don't think this is true, for at least two reasons:
- (a) First, as noted in the staff report, other cities require this level of reporting. See, e.g., [Exhibit 2](#), which is an actual quarterly lobbyist disclosure from San Francisco which illustrates the level of detail required. The form lists date of contact, person(s) contacted, and issue(s) discussed. The lobbying profession is alive and well in San Francisco. It hasn't been driven out of business by this requirement. It would not be in Los Angeles either.
 - (b) Some commenters have noted that they wouldn't be able to keep track of people at meetings and that sometimes they don't even know the names of everyone present. A registered lobbyist and commenter at the September 7 meeting said that this proposal would be unworkable unless some of the responsibility were shared with City staff. I think this is absolutely right. There's no reason, e.g., not to require City staff and officials to distribute their business cards at every meeting with the public, or to have schedulers or other people who set meetings prepare and distribute an official statement of who was present. This can possibly be implemented as a regulation or an interpretation rather than requiring new laws.
26. At least one commenter has claimed that disclosure at this level of detail is unnecessary. The claim seems to be that members of the public who are following an issue and attending or attending to public meetings on the issue will know which lobbyists are working on the issue, what their positions on the issue are, and which City agencies they're contacting. This position is true as far as it goes, but it fails to address the fact that a large amount of lobbying takes place only in private offices, or on the phone, or by email, and doesn't involve public comments at public meetings. Many City matters are at the discretion of a single City official or City office and do not need a vote, are therefore not subject to the Brown Act, and may never come to light without disclosure.
27. There have been some public comments proposing reporting levels strictly between this proposal and the current law. For instance, lobbyists might be required to propose that they'd contacted Council District 13 but not disclose who in particular they'd

contacted. I think this kind of proposal would be worse than useless. It can't possibly be less work to disclose this information than it would be to disclose actual names and yet the information revealed would be almost as inadequate as it is now.

1.8 Position taken on issues

28. I support this proposal for precisely the reasons given in the staff report. I heard at least one public comment claiming that, as above in [Paragraph 26](#), members of the public who are interested in a given issue will know from exposure what positions various lobbying entities are taking. As above, though, this ignores the fact that many, perhaps most, City matters are settled without public hearings of any kind. If members of the public are to be able to track who's attempting to influence and how they're attempting, disclosure of precisely this kind is needed.

2 Other considerations

2.1 Of what use is disclosure information?

2.1.1 In the present

29. I've discussed the immediate utility of disclosed information above in some detail. Some of the important uses are:
 - (a) To allow tracking of lobbying and City officials' responses to it via CPRA.
 - (b) To allow members of the public to respond to positions taken by lobbyists before the matters being lobbied are settled.
 - (c) To allow more detailed analyses of the effects of lobbying on City decision-making.
 - (d) To track the level of compliance with government ethics and lobbying laws.

2.1.2 In the future

30. One important use for lobbying disclosure information that I have not seen discussed is that it constitutes a unique and irreplaceable source of data on how politics works in the City of Los Angeles. Detailed disclosures of the kind proposed here will help preserve an often neglected aspect of the history of Los Angeles in a manner befitting the dignity and importance of our City on the world stage.
31. The extent to which lobbying can, does, and should affect government decisions has been debated in the United States at least since 18th Century discussions on "Factions." It's a legitimate subject of scholarly interest and this essential part of the history of our City should be preserved, rather than oublietted to serve the short-sighted convenience of our politicians and those who attempt to influence them. The proposed disclosure requirements will support this important goal.

2.2 Regulation of lobbying does not malign lobbying

32. In various discussions on the matter I've heard a number of comments to the effect that the proposed revisions to the MLO imply that there's something wrong or dangerous about lobbying. Perhaps the argument is that if lobbying weren't bad it wouldn't need to be regulated?
33. Whatever the reasoning might be, I don't think this argument has much force. The state of California and every other jurisdiction in this country regulates and oversees various professions by imposing licensing requirements, standards of professional conduct, disclosure requirements, disciplinary boards, and so on. This is true not only of lobbyists in Los Angeles, but doctors, lawyers, tattoo artists, massage therapists, psychologists, and many other trades. The fact that these trades are subject to some regulation surely doesn't reflect anyone's judgment that there's something wrong with them. Instead it's related to the sensitivity of the areas in which the trades or professions are practiced. The same is true of lobbying.
34. Irrespective of that, and without meaning to seem insensitive, even if the thought of being regulated somewhat hurts the *amour propre* of our local "regulated community," that's surely not a reason not to have regulations.⁶

2.3 Los Angeles lobbying entities can survive this proposal

35. It's a theme in the public comments heard so far on this MLO revision proposal that more stringent disclosure requirements have the potential to "regulate lobbyists out of business." It has also been argued that some of the proposals would be too expensive to implement or use too much staff time to comply with. I don't think those are serious dangers, though.
36. First note that the proposed disclosure frequency and deadlines fall somewhere in the middle of the corresponding time-frames used in other jurisdictions, as outlined in the staff report. Similarly, the proposal to require detailed disclosure of contacts is not novel either.
37. Lobbyists around the country, and even around the state of California, are subject to more stringent disclosure requirements than are proposed here, and they don't seem to be declaring bankruptcy en masse. Because of the size of our population and the size of our economy, the value of City matters lobbied for in Los Angeles almost certainly outweighs the value in other jurisdictions. If lobbyists in smaller Cities, e.g. San José or San Francisco, can deal financially with detailed disclosure of contacts along with reporting frequency and deadlines on the same order of magnitude as those proposed here, it's hard to imagine that lobbyists in Los Angeles cannot do so as well.

⁶ The principle that the regulation of lobbying is necessary for the proper functioning of the City of Los Angeles is already well-accepted and all of us, as adults, have, I suppose, had to accomodate ourselves to the fact that our feelings might not be the most important consideration in collective decision-making.

38. If the amount of money required to comply with new regulations along the lines of those proposed here isn't enough to drive lobbyists out of business then, if it's true that compliance will require additional staff time, there will be enough money to hire additional staff. As noted, if lobbyists in other jurisdictions can afford sufficient staffing to comply with similar laws, there's no reason why lobbyists in Los Angeles cannot also do so.
39. Finally, the present reporting system has a lot of inefficiencies which, if eliminated, would free up resources for compliance with the new proposals. Some of these are already being discussed, e.g. providing pre-populated disclosure and registration forms. Others are easy to imagine, such as app-based tracking of contacts with City officials, and so on.



Ethics Policy <ethics.policy@lacity .org>

In Support Of Proposed Changes To LAMC §48.08(B)(12)

1 message

Hayk Makhmuryan <[REDACTED]>
Reply-To: Hayk Makhmuryan <[REDACTED]>
To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>

Mon, Sep 18, 2017 at 1:40 PM

Hayk Makhmuryan
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

September 17th, 2017

VIA EMAIL – ethics.policy@lacity.org

City Ethics Commission
200 N Spring St 2410
[Los Angeles, CA 90012](#)

RE: In support of proposed changes to the Los Angeles Municipal Lobbying Ordinance
[LAMC §48.08\(B\)\(12\)](#)

Members of the City Ethics Commission,

My name is Hayk Makhmuryan and I work in the City of Los Angeles, and am a stakeholder in Downtown LA and Skid Row neighborhood. I respectfully ask that my letter and its contents be included in this case file and also in the staff report for the October 17th hearing. Please see my comments below.

I have been an active part of the organizing efforts of Skid Row residents to form their own neighborhood council. Shortly after their election on April 6th 2017, the blog michaelkohlhaas.org reported that several lobbyists were hired by an anonymous Delaware-established LLC to influence members of the City Council to make last-minute changes to their election for the purpose of suppressing mainly low-income and African-American voters Downtown.

"It's quite plausible that a more timely disclosure of this information would have changed the outcome of the election." - michaelkohlhaas.org August 19th, 2017

As an active member of the Skid Row Neighborhood Council Formation Committee, I personally witnessed the following events unfold:

1) Online voting for our Skid Row Neighborhood Council formation elections was pushed through the City Hall only two weeks before the elections, as a one-time exception to an existing suspension of online voting, pending further review and improvements. By the time the Department of Neighborhood Empowerment communicated the parameters of the voting process, more days passed, giving very inadequate time for proper outreach. We came to find out lobbyists were paid to push online voting for our election.

2) Online voting disproportionately disadvantaged low-income and extremely low-income residents in the Skid Row community, especially folks who are homeless, because of the digital divide, meaning a lot less access to internet and a lot less familiarity with digital technologies as compared to higher income stakeholders across downtown LA. In other words, pushing through online voting was a planned and deliberate action to suppress the votes and marginalize low-income folks, and those who pushed it through paid the lobbyists to influence our election.

Therefore, I support the below changes to the Los Angeles Municipal Lobbying Ordinance:

- Detailed reporting of contacts including names and titles of City officials influenced.
- Bimonthly reporting of lobbying activity rather than quarterly.
- Compensation-based requirement for registration rather than time-based.
- Ten day deadline for reporting rather than the month that's now required.

Thank you for your consideration,

Hayk Makhmuryan

--

Hayk Makhmuryan
Advocate for Strengthening Communities Through Arts

[REDACTED]

[REDACTED]

equitable access to arts, cultural, and social spaces is a fundamental human right



Fwd: Donald Chae

----- Forwarded message -----

From: **Serena Oberstein** [REDACTED]
Date: Thu, Oct 4, 2018 at 3:52 PM
Subject: Re: Donald Chae
To: [REDACTED]

Hi Sandra,

Apologies for the delay. There is an appeal process. Mr. Chae can submit a writ of mandate to the superior court.

My best,

Serena

On Tue, Aug 21, 2018 at 8:26 PM Sandra Figueroa-Villa [REDACTED] wrote:
Hi Sabrina,

Following up on this email. Is there an appeal process for Mr. Chae?

Sandra

On Fri, Aug 17, 2018 at 6:26 AM Sandra Figueroa-Villa [REDACTED] wrote:
Good morning Sabrina.

Been calling ethics but they hardly pick up phone. Decided to ask you advice for a friend.

I have a question about this case. A friend of mine Louis Valenzuela works with Mr. Chae. Mr. Chae's employees were asked by a few Supervisors to contribute to Huizar campaign and apparently were reimbursed. Ethics called these employees and they rightfully disclosed this.

Mr. Chae swears he knew nothing, as his second aft were working directly with Huizar people. His lawyer advised him to plead and get it behind him. Although he was skeptical because he claims he had nothing to do with it, ethics went after the boss and was fined.

The question is, he wants to know if ethics has a process to appeal this decision. He feels his lawyer didn't fight for him gave him wrong advise. He'd like a way to appeal. I told him I would check if there is a process to overturn this decision and get back to him.

Thank you in advance.

Hugs to you and Jeremy and your precious Franceska♥🙏📧♥

Warm regards
Sandra Figueroa Villa

Sent from my iPhone

Begin forwarded message:

From: luis valenzuela <luisv@mdproperties.com>
Date: August 7, 2018 at 5:07:52 PM PDT
To: "Sandra E. Figueroa" [REDACTED]
Subject: Donald Chae

Hello Sandra,

As promised, I am transmitting to you Donald's stipulation.....it does not read very well. He was advised by his attorney's to take the fall for his employees. The Ethics Commission basically went after the "Big Fish."

I would like to arrange a meeting with you and Donald so you can hear his story. Let me know.

#See you at The Source,

Luis C. Valenzuela | Executive Vice President

M+D Properties

[6940 Beach Blvd](#), 5th Floor, Buena Park, CA 90621

Office: (714) 831-1538 | Mobile: (323) 633-1582

luisv@mdproperties.com | www.mdproperties.com www.thesourceoc.com



The voice for California's
nonprofit community.

www.calnonprofits.org



October 10, 2017

Los Angeles City Ethics Commission
200 North Spring Street
City Hall, 24th Floor
Los Angeles, CA 90012

Dear City Ethics Commissioners,

Thank you for this opportunity to comment on the City Ethics Commission's review of the Los Angeles Municipal Lobbying Ordinance (MLO), and for hosting an interested persons meeting focusing on input from the nonprofit community.

California Association of Nonprofits (CalNonprofits) is a statewide policy alliance of more than 10,000 organizations representing and promoting California's nonprofit sector. In the City of Los Angeles alone, there are more than 6,000 501(c)(3) organizations (not including religious congregations). Many of these are small, grassroots organizations, with diverse missions, ranging from homeless shelters and food pantries, immigrant service groups, after-school programs and more.

Nonprofits are tightly regulated at all levels of government, a fact that sometimes goes unnoticed. For instance, there are federal rules that already specifically limit the type and amount of lobbying a nonprofit 501(c)(3) organization can do, and this must be tracked and reported to the IRS. In fact, recognizing how complex and challenging the various rules can be, CalNonprofits has a webpage dedicated to helping nonprofits stay in compliance with the array of state, federal and local rules that may impact them.

Unfortunately, the proposed new language for the LA MLO would make it more complicated for nonprofits to engage in advocacy, since it contains new administrative burdens, such as expanded registration and reporting requirements, and risk of litigation for nonprofits. This could have the effect of deterring nonprofits from engaging in advocacy that could benefit the communities they serve, at a time when advocacy is needed more than ever. In a survey that CalNonprofits conducted of over 800 nonprofits in March 2017, "Government in Transition; Nonprofits in Transition," we found that two-thirds of respondents were experiencing increased levels of staff anxiety since the election, with concern about the impact on immigrants voiced with particular urgency, and 65% who received government funding said they anticipate less funding in the next 12 months.

Therefore, CalNonprofits urges the Commission to address the following concerns that we and other nonprofits have raised regarding proposed changes to the MLO.



October 10, 2017

Dear City Ethics Commissioners,

Thank you for this opportunity to comment on the City Ethics Commission's review of the Los Angeles Municipal Lobbying Ordinance (MLO), and for hosting an interested persons meeting focusing on input from the nonprofit community.

SAJE is a small nonprofit in South Los Angeles that focuses on tenant rights, healthy housing, and equitable development. We have been serving very low income tenants for over twenty years. We do some lobbying to support efforts for equity in South LA. We are currently exempt from reporting requirements around lobbying but many of our partners in this work are nonprofits who are not exempt. Restrictions that have a chilling effect on these larger organizations will leave organizations like SAJE facing enormous pressure to lobby more than we really have the resources to do, and could pull resources away from our vital direct service work.

While the proposed new language for the LA MLO is well-intentioned, it results in new administrative burdens, such as expanded registration and reporting requirements, and risk of litigation for nonprofits. When engaging in advocacy, 501(c)(3) nonprofits are already running the race with a piano on their backs, because unlike any other kind of organization, they are limited in the amount of lobbying they can do, they have to track and report lobbying under IRS definitions, and they are prohibited from supporting or opposing candidates for office. These restrictions mean that the risk of corruption and the need for transparency are different when applied to 501(c)(3)s. Imposing additional burdens has a real risk of chilling legitimate advocacy by nonprofits, at the worst possible time when threats and new realities at all levels of government necessitate acting locally to strengthen marginalized communities. For example, local nonprofits may reasonably conclude that City policies can protect and defend immigrant communities in Los Angeles that are under attack. But a nonprofit may also, by financial necessity, conclude that compliance with increasingly complex lobbying disclosure rules is too expensive, and decide not to engage community residents on City matters or weigh in themselves, to the detriment of underserved communities throughout the City of Los Angeles.

We encourage the Commission to address the following concerns that we and other nonprofits have raised regarding proposed changes to the MLO:

1. The proposed 501(c)(3) exemption is very narrow and unclear. A blanket exemption for 501(c)(3)s is both the easiest to administer and clearest for nonprofits advocating in the City. Such an exemption would read:

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

Alternatively, if the Commission is unable to recommend a blanket exemption for 501(c)(3)s, we believe that the language below strikes an appropriate balance between increased disclosure and reducing burdens on organizations advocating on behalf of underserved communities.

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that:

1. Provides assistance, such as food, clothing, shelter, child care, health, legal, vocational, relief, educational, and other similar assistance to disadvantaged people for free or at a below-market rate;
2. Engages disadvantaged or underrepresented people in City decision-making or promotes building healthy communities; OR
3. Has gross receipts of less than \$2.5 million.

This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

2. Proposals for "indirect lobbyists" would disproportionately burden nonprofit organizations. 501(c)(3)s in Los Angeles often educate community residents on pending City matters, inform them of opportunities to comment, and are a trusted source of information on how policy proposals could impact communities. In these activities, organizations may be interested in empowering the public and not communicating with City officials directly. Still, under proposals for "indirect lobbyists", these organizations may have to register, file regular reports, and pay a \$450 registration fee, even if they never communicate with City officials. The threshold for reporting would also be significantly reduced

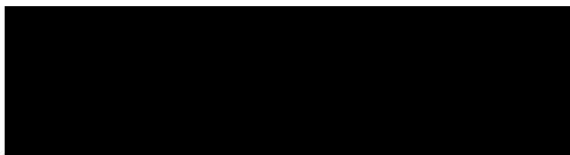
from current thresholds, from \$5,000 in a calendar quarter to \$5,000 in a calendar year. These proposals would chill advocacy that is meant to engage City residents in the decisionmaking that affects their lives. The threshold for reporting as an "indirect lobbyist" should remain the same as it currently is for Major Filers, and reporting should remain on a quarterly basis to be consistent with state and other reporting regimes to reduce administrative burdens.

3. The proposal for a private right of action could expose nonprofit organizations to harassment from moneyed interests. Allowing private individuals to sue people who fail to register and report properly could open up smaller nonprofits and others with controversial or unpopular ideas to harassment through expensive or even frivolous lawsuits by moneyed interests. This would discourage groups that may not have the resources to hire a law firm to either file regular lobbying reports or defend the nonprofits from lawsuits. In turn, City officials may not hear much-needed perspectives during policy debates. The proposed language in Sec. 48.11B1 which allows any "person residing within the City" to bring a civil action, and in Sec. 48.11(B)(4) which would allow a private plaintiff to receive 50 percent of a judgment should be struck from the proposal.

As the Commission moves forward with its review of the MLO, we encourage it to keep in mind that for most 501(c)(3) organizations, compliance with the City's complex lobbying disclosure rules is a new experience. Serving low-income, underrepresented, and marginalized communities is the bottom line for the nonprofit community, and rules that will make that more expensive, complex, and risky will mean these people will participate less in City decisionmaking. As such, we urge the Commission to balance the need for information on lobbying with the reality of limited resources and expertise in the nonprofit sector.

Thank you again for offering this opportunity to address the Commission on its review of the MLO.

Sincerely,



Cynthia Strathmann

Executive Director, SAJE



October 10, 2017

Los Angeles Ethics Commission
Via email: ethics.policy@lacity.org

Re: Municipal Lobbying Ordinance - Nonprofit Exemption

Dear City Ethics Commissioners,

Thank you for this opportunity to comment on the City Ethics Commission's review of the Los Angeles Municipal Lobbying Ordinance (MLO). Asian Americans Advancing Justice – LA is the leading organization in Southern California dedicated to providing legal services to and advocating for civil rights on behalf of Asian American, Native Hawaiian and Pacific Islander communities. We advocate for policy changes at all levels of government.

While the proposed new language for the LA MLO is well-intentioned, it results in new administrative burdens, such as expanded registration and reporting requirements, and risk of litigation for nonprofits. When engaging in advocacy, 501(c)(3) nonprofits are already in the amount and type of advocacy we do. Unlike any other kind of organization, we are limited in the amount of lobbying we can do, we must track and report lobbying under IRS definitions, and we are prohibited from supporting or opposing candidates for office. These restrictions mean that the risk of corruption and the need for transparency are different when applied to 501(c)(3)s. Imposing additional burdens has a real risk of chilling legitimate advocacy by nonprofits, at the worst possible time when threats and new realities at all levels of government necessitate acting locally to strengthen marginalized communities. For example, local nonprofits may reasonably conclude that City policies can protect and defend immigrant communities in Los Angeles that are under attack. But a nonprofit may also, by financial necessity, conclude that compliance with increasingly complex lobbying disclosure rules is too expensive, and decide not to engage community residents on City matters or weigh in themselves, to the detriment of underserved communities throughout the City of Los Angeles.

We encourage the Commission to address the following concerns that we and other nonprofits have raised regarding proposed changes to the MLO:

1. The proposed 501(c)(3) exemption is very narrow and unclear. A blanket exemption for 501(c)(3)s is both the easiest to administer and clearest for nonprofits advocating in the City. Such an exemption would read:

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Alternatively, if the Commission is unable to recommend a blanket exemption for 501(c)(3)s, we believe that the language below strikes an appropriate balance between increased disclosure and reducing burdens on organizations advocating on behalf of underserved communities.

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3. Has gross receipts of less than \$2.5 million.

This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

2. Proposals for "indirect lobbyists" would disproportionately burden nonprofit organizations. 501(c)(3)s in Los Angeles often educate community residents on pending City matters, inform them of opportunities to comment, and are a trusted source of information on how policy proposals could impact communities. In these activities, organizations may be interested in empowering the public and not communicating with City officials directly. Still, under proposals for "indirect lobbyists", these organizations may have to register, file regular reports, and pay a \$450 registration fee, even if they never communicate with City officials. The threshold for reporting would also be significantly reduced from current thresholds, from \$5,000 in a calendar quarter to \$5,000 in a calendar year. These proposals would chill advocacy that is meant to engage City residents in the decisionmaking

that affects their lives. The threshold for reporting as an "indirect lobbyist" should remain the same as it currently is for Major Filers, and reporting should remain on a quarterly basis to be consistent with state and other reporting regimes to reduce administrative burdens.

3. The proposal for a private right of action could expose nonprofit organizations to harassment from moneyed interests. Allowing private individuals to sue people who fail to register and report properly could open up smaller nonprofits and others with controversial or unpopular ideas to harassment through expensive or even frivolous lawsuits by moneyed interests. This would discourage groups that may not have the resources to hire a law firm to either file regular lobbying reports or defend the nonprofits from lawsuits. In turn, City officials may not hear much-needed perspectives during policy debates. The proposed language in Sec. 48.11B1 which allows any "person residing within the City" to bring a civil action, and in Sec. 48.11(B)(4) which would allow a private plaintiff to receive 50 percent of a judgment should be struck from the proposal.

As the Commission moves forward with its review of the MLO, we encourage it to keep in mind that for most 501(c)(3) organizations, compliance with the City's complex lobbying disclosure rules is a new experience. Serving low-income, underrepresented, and marginalized communities is the bottom line for the nonprofit community, and rules that will make that more expensive, complex, and risky will mean these people will participate less in City decisionmaking. As such, we urge the Commission to balance the need for information on lobbying with the reality of limited resources and expertise in the nonprofit sector. Thank you again for offering this opportunity to address the Commission on its review of the MLO.

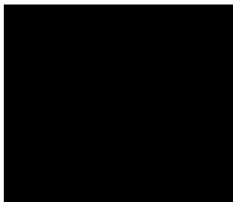
Sincerely,



Deanna Kitamura
Voting Rights Project Director
Asian Americans Advancing Justice – Los Angeles



Change. Not Charity.



October 11, 2017

Jessica A. Levinson, Chair and Commissioners
Los Angeles City Ethics Commission
200 North Spring Street
City Hall, 24th Floor
Los Angeles, CA 90012

RE: Los Angeles Municipal Lobbying Ordinance

Dear Chair Levinson and Los Angeles City Ethics Commissioners,

Thank you for the opportunity to comment on the Los Angeles Municipal Lobbying Ordinance as you continue your comprehensive review process of the lobbying provisions.

The Liberty Hill Foundation is very interested in your deliberations around the LAMLO and its impact on our grantees and the nonprofit sector as a whole. Liberty Hill is a public foundation that has been working for more than 40 years to advance a broad range of social justice issues in the Los Angeles region through grants to nonprofit and community-based organizations; training and capacity building programs; convening and coalition-building around key public policy concerns; and working within philanthropy to promote equality and opportunity for disadvantaged people and communities.

Most of our grantee organizations are small, grassroots nonprofits with budgets of less than \$1 million and small staffs who struggle to provide services, conduct community outreach and education, and organize under-represented and vulnerable constituencies to improve their life circumstances through collective action, including advocating for public policy solutions. Further, there is an active movement in the philanthropic community to seek and forge public-private partnerships where private, public and corporate foundations, along with nonprofits, work side-by-side with government agencies and elected officials to develop innovative, effective policies and programs to meet human needs on an ever larger and more complex scale.

For a number of years, Liberty Hill has sponsored training workshops for our grantees, utilizing the educational resources developed and offered by the Alliance for Justice and the Kaufman Legal Group. Some of the concerns that have been raised by our grantees in the course of these training sessions include the high cost of registration fees; the complexity of managing different federal, state and local lobbying and disclosure rules; and the lack of clarity around certain definitions in the LAMLO.

While the proposed new language for the LAMLO is well-intentioned, it results in new administrative burdens, such as expanded registration and reporting requirements, and risk of litigation for nonprofits. When engaging in advocacy, 501(c)(3) nonprofits are already limited in the amount of lobbying they can do. They are required to track and report lobbying under IRS definitions, and they are prohibited from supporting or opposing candidates for office. These restrictions mean that the risk of corruption and the need for transparency are different when applied to 501(c)(3)s. Imposing additional burdens has a real risk of chilling legitimate and much-needed advocacy by nonprofits—an urgent concern right now as we face threats and new realities at all levels of government that necessitate acting locally to strengthen marginalized communities. For example, local nonprofits may reasonably conclude that City policies can protect and defend immigrant communities in Los Angeles that are under attack. But a nonprofit may also, by financial necessity, conclude that compliance with increasingly complex lobbying disclosure rules is too expensive, and decide not to engage community residents on City matters or weigh in themselves, to the detriment of underserved communities throughout the City of Los Angeles.

We encourage the Commission to address the following concerns that we and other nonprofits have raised regarding proposed changes to the LAMLO:

1. The proposed 501(c)(3) exemption is very narrow and unclear. A blanket exemption for 501(c)(3)s is both the easiest to administer and clearest for nonprofits advocating in the City. Such an exemption would read:

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

Alternatively, if the Commission is unable to recommend a blanket exemption for 501(c)(3)s, we believe that the language below strikes an appropriate balance between increased disclosure and reducing burdens on organizations advocating on behalf of underserved communities.

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E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that:

1. Provides assistance, such as food, clothing, shelter, child care, health, legal, vocational, relief, educational, and other similar assistance to disadvantaged people for free or at a below-market rate;
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3. Has gross receipts of less than \$2.5 million.

This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

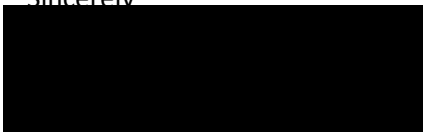
2. Proposals for “indirect lobbyists” would disproportionately burden nonprofit organizations. 501(c)(3)s in Los Angeles often educate community residents on pending City matters, inform them of opportunities to comment, and are a trusted source of information on how policy proposals could impact communities. In these activities, organizations may be interested in empowering the public and not communicating with City officials directly. Still, under proposals for “indirect lobbyists”, these organizations may have to register, file regular reports, and pay a \$450 registration fee, even if they never communicate with City officials. The threshold for reporting would also be significantly reduced from current thresholds, from \$5,000 in a calendar quarter to \$5,000 in a calendar year. These proposals would chill advocacy that is meant to engage City residents in the decision-making that affects their lives. The threshold for reporting as an “indirect lobbyist” should remain the same as it currently is for Major Filers, and reporting should remain on a quarterly basis to be consistent with state and other reporting regimes to reduce administrative burdens.

3. The proposal for a private right of action could expose nonprofit organizations to harassment from moneyed interests. Allowing private individuals to sue people who fail to register and report properly could open up smaller nonprofits and others with controversial or unpopular ideas to harassment through expensive or even frivolous lawsuits by moneyed interests. This would discourage groups that may not have the resources to hire a law firm to either file regular lobbying reports or defend the nonprofits from lawsuits. In turn, City officials may not hear much-needed perspectives during policy debates. The proposed language in Sec. 48.11B1 which allows any “person residing within the City” to bring a civil action, and in Sec. 48.11(B)(4) which would allow a private plaintiff to receive 50 percent of a judgment should be struck from the proposal.

As the Commission moves forward with its review of the LAMLO, we encourage it to keep in mind that for most 501(c)(3) organizations, compliance with the City’s complex lobbying disclosure rules is a new experience. Serving low-income, underrepresented, and marginalized communities is the bottom line for the nonprofit community, and rules that will make that more expensive, complex, and risky will mean these people will participate less in City decision-making. As such, we urge the Commission to balance the need for information on lobbying with the reality of limited resources and expertise in the nonprofit sector.

Thank you for the opportunity to comment on the LAMLO review process. The Liberty Hill Foundation believes that these changes—proposed by a broad cross-section of the nonprofit community—will provide a far more supportive environment for 501c3 organizations to continue to make a significant difference to improve the lives of Angelenos, especially those who are most vulnerable and under-represented.

Sincerely



Michele Prichard
Director, Common Agenda Program
Liberty Hill Foundation

DOWNTOWN WOMEN'S CENTER



October 11, 2017

Los Angeles City Ethics Commission
200 North Spring Street
City Hall, 24th Floor
Los Angeles, CA 90012
ethics.policy@lacity.org

RE: Los Angeles Municipal Lobbying Ordinance (MLO)

Dear City Ethics Commissioners,

Thank you for this opportunity to comment on the City Ethics Commission's review of the Los Angeles Municipal Lobbying Ordinance (MLO), and for hosting an interested persons meeting focusing on input from the nonprofit community.

Founded in 1978, the Downtown Women's Center is the only organization in Los Angeles exclusively dedicated to addressing the needs of women overcoming poverty and homelessness in Skid Row. Our mission is to provide permanent supportive housing and a safe and healthy community fostering dignity, respect, and personal stability. Another core component of our work is to advocate ending homelessness for women—which is why we're concerned about the proposed new language for the LA MLO.

While the proposed new language for the LA MLO is well-intentioned, it results in new administrative burdens, such as expanded registration and reporting requirements, and risk of litigation for nonprofits like us. When engaging in advocacy, 501(c)(3) nonprofits are already running the race with a piano on our backs, because unlike any other kind of organization, we are limited in the amount of lobbying we can do, we have to track and report lobbying under IRS definitions, and we are prohibited from supporting or opposing candidates for office.

These restrictions mean that the risk of corruption and the need for transparency are different when applied to 501(c)(3)s. Imposing additional burdens has a real risk of chilling legitimate advocacy by nonprofits, at the worst possible time when threats and new realities at all levels of government necessitate acting locally to strengthen marginalized communities such as the women in Skid Row.

Homelessness ends here.

DOWNTOWN WOMEN'S CENTER



We encourage the Commission to address the following concerns that we and other nonprofits have raised regarding proposed changes to the MLO:

1. The proposed 501(c)(3) exemption is very narrow and unclear. A blanket exemption for 501(c)(3)s is both the easiest to administer and clearest for nonprofits advocating in the City. Such an exemption would read:

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

Alternatively, if the Commission is unable to recommend a blanket exemption for 501(c)(3)s, we believe that the language below strikes an appropriate balance between increased disclosure and reducing burdens on organizations advocating on behalf of underserved communities.

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DOWNTOWN WOMEN'S CENTER



proposals would chill advocacy that is meant to engage City residents in the decision making that affects their lives. The threshold for reporting as an "indirect lobbyist" should remain the same as it currently is for Major Filers, and reporting should remain on a quarterly basis to be consistent with state and other reporting regimes to reduce administrative burdens.

3. The proposal for a private right of action could expose nonprofit organizations to harassment from moneyed interests. Allowing private individuals to sue people who fail to register and report properly could open up smaller nonprofits and others with controversial or unpopular ideas to harassment through expensive or even frivolous lawsuits by moneyed interests. This would discourage groups that may not have the resources to hire a law firm to either file regular lobbying reports or defend the nonprofits from lawsuits. In turn, City officials may not hear much-needed perspectives during policy debates. The proposed language in Sec. 48.11B1 which allows any "person residing within the City" to bring a civil action, and in Sec. 48.11(B)(4) which would allow a private plaintiff to receive 50 percent of a judgment should be struck from the proposal.

As the Commission moves forward with its review of the MLO, we encourage it to keep in mind that for most 501(c)(3) organizations, compliance with the City's complex lobbying disclosure rules is a new experience. Serving low-income, underrepresented, and marginalized communities is the bottom line for the nonprofit community, and rules that will make that more expensive, complex, and risky will mean these people will participate less in City decision making.

As such, we urge the Commission to balance the need for information on lobbying with the reality of limited resources and expertise in the nonprofit sector.

Thank you again for offering this opportunity to address the Commission on its review of the MLO.

Sincerely,

A black rectangular redaction box covering the handwritten signature of Anne Miskey.

Anne Miskey
Chief Executive Officer



Pacoima Beautiful

ENVIRONMENTAL EDUCATION. LEADERSHIP DEVELOPMENT & ADVOCACY

October 11, 2017

Dear City Ethics Commissioners,

Thank you for this opportunity to comment on the City Ethics Commission's review of the Los Angeles Municipal Lobbying Ordinance (MLO), and for hosting an interested persons meeting focusing on input from the nonprofit community.

Pacoima Beautiful is a grassroots environmental justice organization that provides education, impacts public policy, and supports local arts and culture in order to promote a healthy and sustainable San Fernando Valley.

While the proposed new language for the LA MLO is well-intentioned, it results in new administrative burdens, such as expanded registration and reporting requirements, and risk of litigation for nonprofits. When engaging in advocacy, 501(c)(3) nonprofits are already running the race with a piano on their backs, because unlike any other kind of organization, they are limited in the amount of lobbying they can do, they have to track and report lobbying under IRS definitions, and they are prohibited from supporting or opposing candidates for office. These restrictions mean that the risk of corruption and the need for transparency are different when applied to 501(c)(3)s. Imposing additional burdens has a real risk of chilling legitimate advocacy by nonprofits, at the worst possible time when threats and new realities at all levels of government necessitate acting locally to strengthen marginalized communities. For example, local nonprofits may reasonably conclude that City policies can protect and defend immigrant communities in Los Angeles that are under attack. But a nonprofit may also, by financial necessity, conclude that compliance with increasingly complex lobbying disclosure rules is too expensive, and decide not to engage community residents on City matters or weigh in themselves, to the detriment of underserved communities throughout the City of Los Angeles.

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[Redacted signature block]



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Pacoima Beautiful

ENVIRONMENTAL EDUCATION. LEADERSHIP DEVELOPMENT & ADVOCACY

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Thank you again for offering this opportunity to address the Commission on its review of the MLO.

Sincerely,



Yvette Lopez-Ledesma
Deputy Director

CC: Veronica Padilla, Executive Director
Council President Herb Wesson





PRESIDENT
NAN ARON

CHAIR
KEN GROSSINGER

October 11, 2017

Jessica A Levinson, Chair and Commissioners
Los Angeles City Ethics Commission
200 North Spring Street
City Hall, 24th Floor
Los Angeles, California 90012

Via email to: ethics.policy@lacity.org

RE: Proposed Changes to Los Angeles Municipal Lobbying Ordinance

Dear Commissioners,

Alliance for Justice (AFJ) thanks the City Ethics Commission for this opportunity to comment on the proposed revisions to the Los Angeles Municipal Lobbying Ordinance (MLO), and for hosting an interested persons meeting focusing on input from the nonprofit community.

AFJ is a national association of over 120 organizations, representing a broad array of groups committed to progressive values and the creation of an equitable, just, and free society. AFJ is the leading expert on the legal framework for nonprofit advocacy efforts, providing definitive information, resources, and technical assistance that encourages nonprofit organizations to fully exercise their right to be active participants in the democratic process. A nonprofit ourselves, we are not a law firm, but rather we provide legal and capacity-building support across the board to nonprofit organizations to empower them to engage in advocacy in line with their missions and in compliance with the law. Since 2004, we have worked with over 1,800 small, medium and large nonprofit organizations in California.

Our hands-on work with nonprofits trying to comply with lobbying disclosure rules has taught us that well-intentioned rules to require increased disclosure often result in new administrative burdens for nonprofits and dissuade nonprofits from participating in public processes. 501(c)(3)s, unlike any other kind of organization, are limited in the amount of lobbying they can do, they have to track and report lobbying under IRS definitions, and they are prohibited from supporting or opposing candidates for office. These restrictions mean that the risk of corruption and the need for transparency are different

[REDACTED]

when applied to 501(c)(3)s. Adding reporting requirements and the risk of litigation to an overlapping but distinct set of activities that fall within the purview of the MLO has a real potential to chill legitimate participation in city decisionmaking by nonprofits.

The timing of this proposal couldn't be worse. The world has changed since the Commission staff started reviewing this ordinance, and communities served by nonprofits are facing new threats, losing legal protections, and dealing with cuts to needed services at all levels of government. Still, faced with the proposed MLO, many of the City's nonprofits may - rather than engaging locally to support marginalized communities - conclude based on financial necessity that compliance with increasingly complex lobbying disclosure rules is too expensive, and decide not to engage community residents on City matters or weigh in themselves, to the detriment of underserved communities throughout the City of Los Angeles.

AFJ encourages the Commission to address the concerns that we and other nonprofits have raised regarding proposed changes to the MLO as follows:

1. Broaden the Nonprofit Exemption

The proposed 501(c)(3) exemption is very narrow and unclear. 501(c)(3)s are not the same as other organizations with regard to their ability to advocate. The MLO should recognize this, as do many other cities, with a broad 501(c)(3) exemption. A blanket exemption for 501(c)(3)s is both the easiest to administer and clearest for nonprofits advocating in the City. Such an exemption would read:

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code. This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

Alternatively, if the Commission is unable to recommend a blanket exemption for 501(c)(3)s, we believe that the language below strikes an appropriate balance between increased disclosure and reducing burdens on organizations advocating on behalf of underserved communities.

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that:

1. Provides assistance, such as food, clothing, shelter, child care, health, legal, vocational, relief, educational, and other similar assistance to disadvantaged people for free or at a below-market rate;
2. Engages disadvantaged or underrepresented people in City decision-making or promotes building healthy communities; OR
3. Has gross receipts of less than \$2.5 million.

This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

2. Keep the Existing Major Filer Threshold and Reporting Requirements As Is

Proposals for "indirect lobbyists" would disproportionately burden nonprofit organizations. 501(c)(3)s in Los Angeles often educate community residents on pending City matters, inform them of opportunities to comment, and are a trusted source of information on how policy proposals could impact communities. In these activities, organizations may be interested in empowering the public and not communicating with City officials directly. Still, under proposals for "indirect lobbyists", these organizations may have to register, file regular reports, and pay a \$450 registration fee, even if they never communicate with City officials. The threshold for reporting would also be significantly reduced from current thresholds, from \$5,000 in a calendar quarter to \$5,000 in a calendar year. These proposals would chill advocacy that is meant to engage City residents in the decisionmaking that affects their lives. The threshold for reporting as an "indirect lobbyist" should remain the same as it currently is for Major Filers, and reporting should remain on a quarterly basis to be consistent with state and other reporting regimes to reduce administrative burdens.

3. Do Not Add a Private Right of Action with a Bounty to Incentivize Harassment

The proposal for a private right of action could expose nonprofit organizations to harassment from moneyed interests. Allowing private individuals to sue people who fail to register and report properly could open up smaller nonprofits and others with controversial or unpopular ideas to harassment through expensive or even frivolous lawsuits by moneyed interests. This would discourage groups that do not have the resources to hire a law firm to either file regular lobbying reports or defend them from a lawsuit. In turn, City officials may not hear much-needed perspectives during policy debates. The proposed language in Sec. 48.11(B)(1) which allows any "person residing within the City" to bring a civil action, and in Sec. 48.11(B)(4) which would allow a private plaintiff to receive 50 percent of a judgment should be struck from the proposal.

Conclusion

As the Commission moves forward with its review of the MLO, we encourage it to keep in mind that for most 501(c)(3) organizations, compliance with the City's complex lobbying disclosure rules is a new experience. We have seen again and again that even nonprofits that are familiar with federal laws governing their advocacy as tax-exempt organizations still struggle to understand local lobbying disclosure rules and shy away from participating in City decisions rather than spend resources on compliance that would otherwise be spent on their charitable work. As such, we urge the Commission to balance the need for information on lobbying with the reality of limited resources in the nonprofit sector and reject rules that would exacerbate the existing influence of money on City decisionmaking processes.

Thank you again for offering this opportunity to address the Commission on its review of the MLO.

Sincerely,

Nona Randois
California Director

Shyaam Subramanian
Southern California Counsel



October 11, 2017

Adam Murray

Ethics Commission
Via ethics.policy@lacity.org

Re: **Support for AB 291 (Chiu) –Protecting Immigrant Tenants**

Dear Ethics Commissioners:

On behalf of Inner City Law Center (ICLC), I am writing to express our grave concerns that the current draft amendments to the City of Los Angeles' Municipal Lobbying Ordinance (MLO) will chill free speech and participation in the legislative and administrative process, particularly for small nonprofits and disenfranchised people.

As a nonprofit headquartered on Los Angeles' Skid Row, ICLC provides legal services to low-income Angelenos to help them get and keep housing. In ICLC's work, we see the barriers that people face to getting and keeping housing. We are in the is in a unique position to see how these proposed changes would discourage people from participating in the legislative and administrative process.

Staff's proposed MLO amendments are well-intentioned – to increase transparency and provide a fair process for all. However, staff's proposed amendments would force many nonprofits to take an existential risk if they are to continue policy advocacy under these rules.

Staff's proposed changes would 1) broaden the existing definition of who must register, report and comply with the lobbying rules; 2) require registration and a \$450 annual registration fee; 3) increase the consequences for noncompliance; and 4) expand enforcement options to include authorizing a private right action (lawsuit) by a member of the public asserting noncompliance and rewarding the successful plaintiff with the fines imposed on the defendant. Each of these changes will result in more nonprofits choosing not to participate.

First, for most nonprofits, especially small ones, the risk of being categorized as a "lobbyist" or "indirect lobbyist" or similar designation would cause it to lose donors, both foundations and individuals, who are uncomfortable with the perceived corruption that goes with such terms. Second, most nonprofits lack the sophistication or sufficient access to legal counsel to determine what is lobbying, whether a specific activity fits the definition, and how to comply with reporting requirements. Third, almost all nonprofits lack the resources to pay for the legal fees required to fight off vexatious litigation that may result from taking a position in opposition to a powerful, well-heeled interest. Losing or even incurring the cost of fighting such a legal battle poses an existential threat to most nonprofits which, regardless of size, operate on a shoestring budget. Rather than take the risk, most nonprofits will choose not to participate.

We know this because it is already the choice many nonprofits make when confronted with the current federal and state regulatory systems imposed uniquely on nonprofits. In exchange for nonprofit designation, nonprofits cannot support in anyway a candidate for elected office. Non

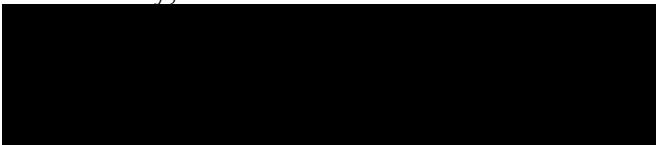
profits are limited in how much lobbying they can do – it must be an insubstantial amount. Nonprofits can only lobby in furtherance of their charitable mission; they cannot lobby in their own financial self-interest. And when they do lobbying, nonprofits must report any lobbying to the IRS on their 990 forms. If a nonprofit fails to comply with these restrictions, they risk losing their nonprofit status.

Because federal and state rules already impose restrictions and requirements on nonprofits that aren't imposed on for-profit companies or individuals, nonprofits are already on unequal footing with for-profit companies. Were the City to heap even more regulations and consequences of top, it will be a step too far. We will see a dramatic drop in civic participation from disenfranchised people who see their community nonprofits as their voice.

To prevent this calamity, the Ethics Commission should propose an MLO with an expanded exclusion that applies to all nonprofits.

Thank you for your consideration of our concerns. If we can be of any assistance going forward, please do not hesitate to reach out.

Sincerely,

A large black rectangular redaction box covering the signature of Adam Murray.

Adam Murray
Executive Director



Fwd: Update on LAMLO

----- Forwarded message -----

From: Michele Prichard <mprichard@libertyhill.org>

Date: Wed, Oct 11, 2017 at 12:25 PM

Subject: Update on LAMLO

To: serena@visiontolearn.org <serena@visiontolearn.org>, [REDACTED]
[REDACTED] Nona Randois (nona@afj.org) <nona@afj.org>

Sounds like Nona may not be able to join at this time, but sending her this invite anyway. At least Michele and Serena will touch base.

Phone Number: (712) 775-7031

Meeting ID: [REDACTED]

 **invite.ics**
2K



Fwd: LAMLO update

----- Forwarded message -----

From: **Michele Prichard** <mprichard@libertyhill.org>

Date: Thu, Oct 12, 2017 at 5:15 PM

Subject: LAMLO update

To: serena@visiontolearn.org <serena@visiontolearn.org>, [REDACTED]

Cc: Nona Randois (nona@afj.org) <nona@afj.org>, Shyaam Subramanian (shyaam@afj.org) <shyaam@afj.org>

Hi Serena,

I am cc'ing Nona and Shyaam of Alliance for Justice, (the wonderful legal resource for nonprofits nationally, and here in Los Angeles) just in case you want to reach out to either of them once you have a chance to study the language that is in your Commissioners packet, and if you have any questions. You will see several letters from nonprofit organizations that are proposing the same solution: a blanket exemption for 501c3s, or at minimum, an expanded definition of exemption categories.

Sadly, neither Nona or I can be at Tuesday's CEC meeting, but Shyaam will be there at 9 a.m. Here are their phone numbers:

Shyaam Office: 213-225-6843 and cell: [REDACTED]

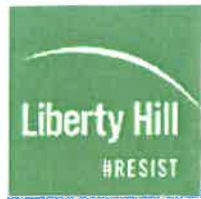
Nona Office: (213) 346-3288 and cell: [REDACTED]

Thank you for your concern and responsiveness,

Michele

Michele Prichard, 323-556-7229

Director, Common Agenda



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Craig Lawson & Co., LLC
Land Use Consultants

Craig Lawson & Co., LLC
Land Use Consultants

October 30, 2017

Ms. Jessica Levinson, President
Los Angeles City Ethics Commission
200 N. Spring Street
City Hall, 24th Floor
Los Angeles, CA 90012

RE: Proposed Amendments to Municipal Lobbying Ordinance – Contacts with City Staff

Dear Ms. Levinson and Members of the Commission,

I am a Registered Lobbyist with the City of Los Angeles, and am the head of a Lobbying Firm that does land use consulting work. Our primary business is land use consulting, and while “lobbying” is one of the services we may provide to our clients, the vast majority of our work is better described as zoning research, land use analysis and application processing.

Your staff has proposed various changes to the Municipal Lobbying Ordinance, which I oppose, but I would like to focus on the issue of contacts with City Staff. The staff proposal to the City Ethics Commission (CEC) is that lobbyists be required to disclose the “title and division of each City employee contacted during the reporting period.” The reason, as stated in the Staff Report to the CEC dated October 17, 2017, is: “We believe that more specificity is necessary for a well-informed citizenry and that it will significantly enhance public awareness.”

I disagree. As land use consultants, we are required to be in regular contact with staff members at the Department of City Planning (DCP). For example, prior to filing an application we must be in contact with DCP staff in order to carry out zoning research, obtain documents from prior zoning cases, confirm the type of applications that are being filed, obtain the necessary pre-application sign offs from the Community Planner, and determine the DCP filing fee amounts. This is routine work that we undertake on a daily basis, and I do not consider this to be “lobbying”. How does disclosing the “title and division of each City employee contacted” in this situation “enhance public awareness” of the lobbying process?

I am very concerned that requiring the disclosure of the “title and division of each City employee contacted” will have a chilling effect on our ability to carry out our work assignments. For example, we might list a contact with the Deputy Director of Planning. From that title, it’s very easy for a project opponent or competitor to find out who we were talking to (there are only two or three Deputy Directors of Planning who deal with pending projects). What’s to stop these opponents from calling these staff members and harassing them for having communicated with

[REDACTED] [REDACTED]

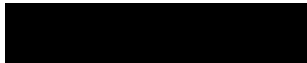
an applicant's representative. City staff members do not like to be confronted by angry constituents, and they don't want to be unfairly criticized for somehow assisting a developer in moving a project forward. The result will be that City staff members will refrain from taking our calls or responding to emails, because they don't want to be listed on a Lobbyist Report. This is a bad result, and I don't think that this is the intent of what the CEC is trying to accomplish.

Your staff has also recommended that Lobbyists be required to disclose the "position" that was taken on City matters that they attempt to influence. As stated above, much of our work involves research, analysis, and routine contacts with City staff members. We are not taking "positions" on City matters, we are just trying to determine the correct information and verify the entitlement path. In some cases, our clients decide not to file an application with the City; how can we identify a "position" when nothing has been filed?

As identified in James R. Sutton's excellent letters of August 14, 2017 and October 16, 2017 to the CEC, as land use professionals we are required to interact with City staff members, and thus we should be treated differently. You should carve out routine research, analysis and preliminary meetings as work that is not considered to be "lobbying". Adding new reporting requirements is not the answer.

Thank you for your consideration of my position on this matter.

Sincerely,

A black rectangular redaction box covering the signature of Craig Lawson.

Craig Lawson
President
Craig Lawson & Co., LLC

c.c. James R. Sutton, The Sutton Law Firm



Fwd: FW: Thank you and next steps on LAMLO!

----- Forwarded message -----

From: Michele Prichard <mpritchard@libertyhill.org>

Date: Sun, Nov 26, 2017 at 10:17 AM

Subject: FW: Thank you and next steps on LAMLO!

To: serena@visiontolearn.org <serena@visiontolearn.org>, [REDACTED]

Cc: Nona Randois (nona@afj.org) <nona@afj.org>

Hi Serena,

Hope you have had an enjoyable Thanksgiving break, and I am just resending this request to meet by phone or in person. Please see details below. We hope something might work out!

Thank you,

Michele

Michele Prichard, 323-556-7229

Director, Common Agenda



Liberty Hill Foundation

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From: Michele Prichard

Sent: Friday, November 17, 2017 1:03 PM

To: 'serena@visiontolearn.org' <serena@visiontolearn.org>; [REDACTED]

Cc: Nona Randois (nona@afj.org) <nona@afj.org>

Subject: Thank you and next steps on LAMLO!

Hi Serena,

Even though I, and my colleague Nona Randois from Alliance for Justice, were both unable to attend the last meeting of the CEC regarding the new proposed LAMLO, we heard great things about your comments and concerns regarding how these rules will affect the nonprofit sector. We so appreciate your flagging these issues for the CEC staff and other Commission members and your wanting to make sure that the new rules do not create a chilling effect on the nonprofit community which plays such a valuable role in helping the City understand the impacts of public policies on vulnerable communities.

We are wondering if you would be willing to meet with us again by phone, or in person, to discuss the upcoming (December 19th) meeting and how we might build upon the discussion from the last meeting.

Just to move us ahead, here are some possibilities:

Monday, 11/27, anytime after 1 p.m. through end of day

Tuesday, 11/28, after 3:30 p.m.

Weds, 11/29, at any time, as of now.

If you can provide your availability, I will schedule and send phone number.

Thanks again for your concern,

Michele

Michele Prichard, 323-556-7229

Director, Common Agenda





Fwd: Third Request: Thank you and next steps on LAMLO!

----- Forwarded message -----

From: **Michele Prichard** <mprichard@libertyhill.org> .

Date: Wed, Dec 6, 2017 at 1:59 PM

Subject: RE: Third Request: Thank you and next steps on LAMLO!

To: Serena Oberstein [REDACTED]

Cc: Nona Randois (nona@afj.org) <nona@afj.org>, Shyaam Subramanian (shyaam@afj.org) <shyaam@afj.org>

Hi Serena: Nice to hear from you and totally understand. Hope all is well with family.

Sure, let's try for Weds, 12/13. Best for me would probably be first thing in the morning—like 8:30 to 10:30, or end of day, like 4 p.m.

Nona, does that work for you? I am adding Shyyam Subramanian from Alliance for Justice to our email chain, since he too is tracking this issue and may be available in case Nona is not.

Thanks for getting back!

Michele Prichard, 323-556-7229

Director, Common Agenda



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From: Serena Oberstein [mailto:]

Sent: Wednesday, December 06, 2017 1:49 PM

To: Michele Prichard <mprichard@libertyhill.org>

Cc: Nona Randois (nona@afj.org) <nona@afj.org>

Subject: Re: Third Request: Thank you and next steps on LAMLO!

Hi Michele,

I'm sorry for the delay. We've had some family stuff going on and I've been traveling a bit for work. I'm happy to get on the phone next week. Does Wednesday 12/13 work for you?

My best,

Serena

On Wed, Dec 6, 2017 at 1:05 PM, Michele Prichard <mprichard@libertyhill.org> wrote:

Hi Serena: Thought I would try just one more time to see if you have time and interest to talk with us about the impact of the LAMLO on nonprofits in LA. See more details in my email below. Thanks!

Michele Prichard, 323-556-7229

Director, Common Agenda



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www.LibertyHill.org

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From: Michele Prichard

Sent: Sunday, November 26, 2017 10:17 AM

To: 'serena@visiontolearn.org' <serena@visiontolearn.org>; [REDACTED]

Cc: Nona Randois (nona@afj.org) <nona@afj.org>

Subject: FW: Thank you and next steps on LAMLO!

Hi Serena,

Hope you have had an enjoyable Thanksgiving break, and I am just resending this request to meet by phone or in person. Please see details below. We hope something might work out!

Thank you,

Michele

Michele Prichard, 323-556-7229

Director, Common Agenda



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From: Michele Prichard

Sent: Friday, November 17, 2017 1:03 PM

To: 'serena@visiontolearn.org' <serena@visiontolearn.org>; [REDACTED]

Cc: Nona Randois (nona@afj.org) <nona@afj.org>

Subject: Thank you and next steps on LAMLO!

Hi Serena,

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We are wondering if you would be willing to meet with us again by phone, or in person, to discuss the upcoming (December 19th) meeting and how we might build upon the discussion from the last meeting.

Just to move us ahead, here are some possibilities:

Monday, 11/27, anytime after 1 p.m. through end of day

Tuesday, 11/28, after 3:30 p.m.

Weds, 11/29, at any time, as of now.

If you can provide your availability, I will schedule and send phone number.

Thanks again for your concern,

Michele

Michele Prichard, 323-556-7229

Director, Common Agenda



Liberty Hill Foundation

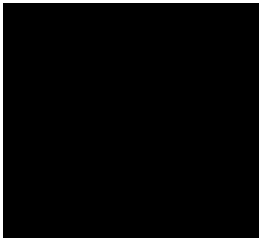
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--
Serena Oberstein, MPA
Ethics Commissioner, Los Angeles
[REDACTED]



Change. Not Charity



December 11, 2017

Jessica A. Levinson, Chair and Commissioners
Los Angeles City Ethics Commission
200 North Spring Street
City Hall, 24th Floor
Los Angeles, CA 90012

RE: Los Angeles Municipal Lobbying Ordinance

Dear Chair Levinson and Los Angeles City Ethics Commissioners,

Thank you for this opportunity to comment on the City Ethics Commission's review of the Los Angeles Municipal Lobbying Ordinance (MLO).

The Liberty Hill Foundation has been following the proposed changes to the LAMLO since August of 2016, and its potential impact on our grantees and the nonprofit sector as a whole. Liberty Hill is a public foundation that has been working for more than 40 years to advance equity and a broad range of social justice issues in the Los Angeles region through grants to nonprofit and community-based organizations; training and capacity building programs; convening and coalition-building around key public policy concerns; and working within philanthropy to promote equality and opportunity for disadvantaged people and communities.

At the October 17th meeting, 501(c)(3) nonprofits in the City expressed concerns that proposed changes to the MLO would impose burdens that have a real risk of chilling legitimate advocacy by nonprofits and reducing participation of disadvantaged City residents in critical City decision-making. For example, a community-based organization that conducts environmental education may decide not to produce a report documenting the many health exposures that a low-income community experiences if it is unsure whether the cost of the report is a lobbying expense, and could force the organization to file regular lobbying reports subject to potential civil and criminal penalties for mistakes or late filing. This robs the City of vital input and expertise which otherwise would help the City make decisions that are fair and equitable to the underserved at a time when so many traditionally disadvantaged groups are being targeted.

As a reminder, 501(c)(3)s are prohibited by federal law from doing more than an insubstantial amount of lobbying, and any lobbying they do must be tracked and publicly reported. Importantly, 501(c)(3)s are prohibited from

supporting or opposing candidates for office, so the risk of quid pro quo or pay to play corruption stemming from 501(c)(3) lobbying is much less than with non-charitable lobbying entities.

We encourage the Commission to address the following concerns that we and other nonprofits have by broadening the 501(c)(3) exemption to read as follows:

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that:

- 1. Provides assistance, such as food, clothing, shelter, child care, health, legal, vocational, relief, educational, and other similar assistance to disadvantaged people for free or at a significantly below-market rate; OR**
- 2. Has gross receipts of less than \$2.5 million.**

This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

This proposal differs from staff's proposal at the October 17th meeting in a few important ways. First, it would not require 501(c)(3)s to receive government funding—at a time when such funding is being reduced—to qualify for the exemption. Staff has offered no rationale for this requirement, and indeed was planning to remove it earlier in this review process when it inexplicably reversed course.

501(c)(3)s shouldn't have to hire attorneys to determine whether or not they are covered by the exemption. Therefore, our proposal clarifies some ambiguities in the October staff proposal and uses language more likely to be understood by nonprofits. We don't use the term "direct basic life assistance" because that is not a recognized term. Rather, we focus on assistance to disadvantaged people, since this seems to be at the heart of both the current 501(c)(3) exemption and the October staff proposal. We provide examples of types of assistance to disadvantaged people without being exhaustive, in recognition of the varied needs of disadvantaged people in Los Angeles. Our proposal includes that relief or educational assistance to disadvantaged people would be exempt, as these are important categories under Internal Revenue Code section 501(c)(3) of charitable activity. Our proposal avoids the term "client" which is not a term often used by 501(c)(3) organizations such as churches, food pantries, and child care centers to describe the people they assist, and therefore could lead to confusion. Our proposal specifies that it applies to board members while engaged in official 501(c)(3) business. The October staff proposal does not call out board members, who are important emissaries of 501(c)(3) nonprofits. Furthermore, the October staff proposal states that the exemption applies to "the organization's employees engaged in the same activity" but it is not clear what it means by "same activity." Same as what? We propose the term "official duties" instead.

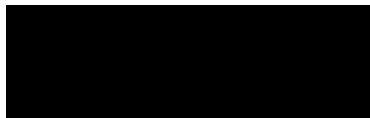
501(c)(3)s should not have to hire an attorney each time they use the exemption to determine if it will apply in each instance. Unfortunately, the October staff proposal makes this outcome likely because it contains a final sentence that ambiguously limits the scope of the exemption by saying that it does not apply to "other action" by the organization. Other than what? We propose a much clearer limitation, which although it is more restrictive than current law, would clearly delineate between covered and non-covered activity, by stating that the exemption does not apply when an organization seeks funding, property, or a permit from the City on its own behalf. Despite the fact that these activities, when undertaken by covered nonprofits such as a homeless shelter or affordable housing provider, do benefit disadvantaged people, we think it is reasonable to carve this activity out in exchange for a broader exemption as outlined here.

Finally, our proposal would exempt smaller nonprofit organizations, as measured by gross receipts, to alleviate the unique burdens smaller organizations face in tracking and reporting lobbying activities. Smaller 501(c)(3)s aren't able to spend much on lobbying, and even in the rare situations where they could otherwise qualify as City lobbyists, they especially may not have the capacity to hire an attorney to assist them with filing reports and determining when the organization's activities constitute lobbying under the MLO. This means that they are the most likely to decide not to participate based on being unsure as to whether they are covered by the exemption. An organization with a budget over \$2.5 million is much more likely to have the administrative capacity to track and report City lobbying. This size cap is a bright-line rule that adds clarity for a group of nonprofits that are unlikely to qualify as City lobbyists anyway, and therefore can give them peace of mind to participate in small ways without worrying about the liability that the MLO might otherwise impose.

We believe this proposal strikes the right balance - reducing the uncertainties that would deter participation of community-based organizations who advocate on behalf of underrepresented people while still ensuring meaningful disclosure to the public.

Thank you again for offering this opportunity to address the Commission on its review of the MLO.

Sincerely,

A solid black rectangular box used to redact the signature of Michele Prichard.

Michele Prichard
Director, Common Agenda Program
Liberty Hill Foundation



Fwd: Check in on LAMLO

----- Forwarded message -----

From: **Michele Prichard** <mprichard@libertyhill.org>

Date: Mon, Dec 11, 2017 at 4:12 PM

Subject: Check in on LAMLO

To: Serena Oberstein [REDACTED], Nona Randois (nona@afj.org) <nona@afj.org>, Shyaam Subramanian (shyaam@afj.org) <shyaam@afj.org>

LAMLO Nonprofit Exemption Conversation

Wed, Dec 13, 2017 9:00 AM - 9:30 AM PST

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December 12, 2017

Via email: ethics.policy@lacity.org

Dear City Ethics Commissioners:

Thank you for this opportunity to comment on the City Ethics Commission's review of the Los Angeles Municipal Lobbying Ordinance (MLO). Asian Americans Advancing Justice-LA is the leading organization in Southern California dedicated to providing legal services to and advocating for civil rights on behalf of Asian American, Native Hawaiian, and Pacific Islander communities. We advocate for policy changes at all levels of government.

At the October 17th meeting, I testified regarding our concerns that proposed changes to the MLO would impose burdens that have a real risk of chilling legitimate advocacy by nonprofits and reducing participation of disadvantaged City residents in critical City decision-making. For example, an organization that assists immigrants may decide not to advocate for or coordinate with the mayor's office on census outreach if it is unsure whether the meetings with the mayor's office is "lobbying," and could consequently force the organization to file regular lobbying reports subject to potential civil and criminal penalties for mistakes or late filing. This robs the City of vital input and expertise which otherwise would help the City make decisions that are fair and equitable to the underserved at a time when so many traditionally disadvantaged groups are being targeted.

As a reminder, 501(c)(3)s are prohibited by federal law from doing more than an insubstantial amount of lobbying, and any lobbying they do must be tracked and publicly reported. Importantly, 501(c)(3)s are prohibited from supporting or opposing candidates for office, so the risk of quid pro quo or pay to play corruption stemming from 501(c)(3) lobbying is much less than with non-charitable lobbying entities.

We encourage the Commission to address the following concerns that we and other nonprofits have by broadening the 501(c)(3) exemption to read as follows:

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that:

- 1. Provides assistance, such as food, clothing, shelter, child care, health, legal, vocational, relief, educational, and other similar**

assistance to disadvantaged people for free or at a significantly below-market rate; OR

2. Has gross receipts of less than \$2.5 million.

This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

This proposal differs from staff's proposal at the October 17th meeting in a few important ways. First, it would not require 501(c)(3)s to receive government funding—at a time when such funding is being reduced—to qualify for the exemption. Staff has offered no rationale for this requirement, and indeed was planning to remove it earlier in this review process when it inexplicably reversed course.

501(c)(3)s shouldn't have to hire attorneys to determine whether or not they are covered by the exemption. Therefore, our proposal clarifies some ambiguities in the October staff proposal and uses language more likely to be understood by nonprofits. We don't use the term "direct basic life assistance" because that is not a recognized term. Rather, we focus on assistance to disadvantaged people, since this seems to be at the heart of both the current 501(c)(3) exemption and the October staff proposal. We provide examples of types of assistance to disadvantaged people without being exhaustive, in recognition of the varied needs of disadvantaged people in Los Angeles. Our proposal includes that relief or educational assistance to disadvantaged people would be exempt, as these are important categories under Internal Revenue Code section 501(c)(3) of charitable activity. Our proposal avoids the term "client" which is not a term often used by 501(c)(3) organizations such as churches, food pantries, and child care centers to describe the people they assist, and therefore could lead to confusion. Our proposal specifies that it applies to board members while engaged in official 501(c)(3) business. The October staff proposal does not call out board members, who are important emissaries of 501(c)(3) nonprofits. Furthermore, the October staff proposal states that the exemption applies to "the organization's employees engaged in the same activity" but it is not clear what it means by "same activity." Same as what? We propose the term "official duties" instead.

501(c)(3)s should not have to hire an attorney each time they use the exemption to determine if it will apply in each instance. Unfortunately, the October staff proposal makes this outcome likely because it contains a final sentence that ambiguously limits the scope of the exemption by saying that it does not apply to "other action" by the organization. Other than what? We propose a much clearer limitation, which although it is more restrictive than current law, would clearly delineate between covered and non-

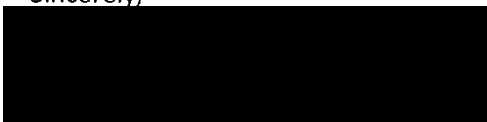
covered activity, by stating that the exemption does not apply when an organization seeks funding, property, or a permit from the City on its own behalf. Despite the fact that these activities, when undertaken by covered nonprofits such as a homeless shelter or affordable housing provider, do benefit disadvantaged people, we think it is reasonable to carve this activity out in exchange for a broader exemption as outlined here.

Finally, our proposal would exempt smaller nonprofit organizations, as measured by gross receipts, to alleviate the unique burdens smaller organizations face in tracking and reporting lobbying activities. Smaller 501(c)(3)s aren't able to spend much on lobbying, and even in the rare situations where they could otherwise qualify as City lobbyists, they especially may not have the capacity to hire an attorney to assist them with filing reports and determining when the organization's activities constitute lobbying under the MLO. This means that they are the most likely to decide not to participate based on being unsure as to whether they are covered by the exemption. An organization with a budget over \$2.5 million is much more likely to have the administrative capacity to track and report City lobbying. This size cap is a bright-line rule that adds clarity for a group of nonprofits that are unlikely to qualify as City lobbyists anyway, and therefore can give them peace of mind to participate in small ways without worrying about the liability that the MLO might otherwise impose.

We believe this proposal strikes the right balance - reducing the uncertainties that would deter participation of community-based organizations who advocate on behalf of underrepresented people while still ensuring meaningful disclosure to the public.

Thank you again for offering this opportunity to address the Commission on its review of the MLO.

Sincerely,



Deanna Kitamura
Voting Rights Project Director
Asian Americans Advancing Justice – Los Angeles



PSR LA

Physicians for Social Responsibility
Los Angeles

Los Angeles City Ethics Commission
200 N Spring St. #2410
Los Angeles, CA, 90012

Dear City Ethics Commissioners,

Physicians for Social Responsibility – Los Angeles (PSR-LA) is a health professional membership organization that works to improve public health by addressing environmental threats and health disparities. Our work and the work of countless other nonprofit organizations depend on the ability to effectively advocate with clear lobbying rules that understand and accommodate for the unique role that we play.

As a reminder, 501(c)(3)s are prohibited by federal law from doing more than an insubstantial amount of lobbying, and any lobbying they do must be tracked and publicly reported. Importantly, 501(c)(3)s are prohibited from supporting or opposing candidates for office, so the risk of quid pro quo or pay to play corruption stemming from 501(c)(3) lobbying is much less than with non-charitable lobbying entities.

Sec. 48.03

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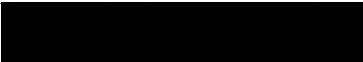
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Finally, our proposal would exempt smaller nonprofit organizations, as measured by gross receipts, to alleviate the unique burdens smaller organizations face in tracking and reporting lobbying activities. Smaller 501(c)(3)s aren't able to spend much on lobbying, and even in the rare situations where they could otherwise qualify as City lobbyists, they especially may not have the capacity to hire an attorney to assist them with filing reports and determining when the organization's activities constitute lobbying under the MLO. This means that they are the most likely to decide not to participate based on being unsure as to whether they are covered by the exemption. An organization with a budget over \$2.5 million is much more likely to have the administrative capacity to track and report City lobbying. This size cap is a bright-line rule that adds clarity for a group of nonprofits that are unlikely to qualify as City lobbyists anyway, and therefore can give them peace of mind to participate in small ways without worrying about the liability that the MLO might otherwise impose.

We believe this proposal strikes the right balance - reducing the uncertainties that would deter participation of community-based organizations who advocate on behalf of underrepresented people while still ensuring meaningful disclosure to the public.

Thank you again for offering this opportunity to address the Commission on its review of the MLO.

For health & justice,


Martha Dina Arguello
Executive Director





Fwd: Liberty Hill Letter on LAMLO--and Call Reminder!

----- Forwarded message -----

From: **Michele Prichard** <mprichard@libertyhill.org>
Date: Tue, Dec 12, 2017 at 4:38 PM
Subject: Liberty Hill Letter on LAMLO--and Call Reminder!
To: Serena Oberstein [REDACTED]
Cc: Nona Randois (nona@afj.org) <nona@afj.org>, Shyaam Subramanian (shyaam@afj.org) <shyaam@afj.org>

Hi Serena,

We are looking forward to our 9 a.m. call with you tomorrow. Below is the dial-in number. Also, I thought I should send you the comment letter that Liberty Hill submitted to CEC yesterday. (I am grateful to Alliance for Justice for providing much of the analysis contained here). I thought if you could see these arguments outlined in advance of our call it might be helpful since we just have a brief time on the phone together. Thanks so much for making the time to talk with us!

DIAL IN DIRECTIONS:

LAMLO Nonprofit Exemption Conversation
Wed, Dec 13, 2017 9:00 AM - 9:30 AM PST

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Michele Prichard, 323-556-7229

Director, Common Agenda



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 **City Ethics Commission-Liberty Hill Fdn-12.11.17.pdf**
173K

December 13, 2017

Jessica A. Levinson, Chair and Commissioners
Los Angeles City Ethics Commission
200 North Spring Street
City Hall, 24th Floor
Los Angeles, CA 90012



PRESIDENT
NAN ARON
CHAIR
KEN GROSSINGER

Via email to ethics.policy@lacity.org

Dear City Ethics Commissioners,

Alliance for Justice (AFJ) thanks the City Ethics Commission for this opportunity to comment on the proposed revisions to the Los Angeles Municipal Lobbying Ordinance (MLO).

AFJ is a national association of over 120 organizations, representing a broad array of groups committed to progressive values and the creation of an equitable, just, and free society. AFJ is the leading expert on the legal framework for nonprofit advocacy efforts, providing definitive information, resources, and technical assistance that encourages nonprofit organizations to fully exercise their right to be active participants in the democratic process. A nonprofit ourselves, we are not a law firm, but rather we provide legal and capacity-building support to nonprofit organizations to empower them to advocate in line with their missions and in compliance with the law. Since 2004, we have worked with over 1,800 small, medium, and large nonprofit organizations in California.

At the October 17th meeting, 501(c)(3) nonprofits in the City expressed concerns that proposed changes to the MLO would impose burdens that have a real risk of chilling legitimate advocacy by nonprofits and reducing participation of disadvantaged City residents in critical City decision-making. For example, a community-based organization that assists homeless residents may decide not to produce a report outlining the need for more public toilets on Skid Row if it is unsure whether the cost of the report is a lobbying expense, since preparing the report could force the organization to file regular lobbying reports subject to potential civil and criminal penalties for mistakes or late filing. This robs the City of vital input and expertise which otherwise would help the City make decisions that are fair and equitable at a time when so many traditionally disadvantaged groups are being targeted.

As a reminder, 501(c)(3) public charities are prohibited by federal law from doing more than an insubstantial amount of lobbying, and any lobbying they do must be tracked and publicly reported to the IRS. Importantly, 501(c)(3)s are prohibited from supporting or opposing candidates for office, so the risk of quid pro quo or pay to play corruption stemming from 501(c)(3) lobbying is much less than with non-charitable lobbying entities.

We encourage the Commission to address the concerns that we and other nonprofits have expressed by broadening the 501(c)(3) exemption to read as follows:

Sec. 48.03

E. Any organization exempt from federal taxation pursuant to Section 501(c)(3) of the Internal Revenue Code that:

1. **Provides assistance, such as food, clothing, shelter, child care, health, legal, vocational, relief, educational, and other similar assistance to disadvantaged people for free or at a significantly below-market rate; OR**
2. **Has gross receipts of less than \$2.5 million.**

This exemption also applies to the organization's employees and board members while engaged in official duties. This exemption does not apply when an organization is seeking funding, property, or a permit from the City on its own behalf.

This proposal differs from staff's proposal at the October 17th meeting in a few important ways. First, it would not require 501(c)(3)s to receive government funding—at a time when such funding is being reduced—to qualify for the exemption. Staff has offered no rationale for this requirement, and indeed was planning to remove it earlier in this review process before inexplicably reversing course.

501(c)(3)s should not have to hire attorneys to determine whether or not they are covered by the exemption. Therefore, our proposal clarifies some ambiguities in the October staff proposal and uses language more likely to be understood by nonprofits. We don't use the term "direct basic life assistance" because that is not a recognized term. Rather, we focus on assistance to disadvantaged people, since this seems to be at the heart of both the current 501(c)(3) exemption and the October staff proposal. We provide examples of types of assistance to disadvantaged people without being exhaustive, in recognition of the varied needs of disadvantaged people in Los Angeles. Our proposal includes that relief or educational assistance to disadvantaged people would be exempt, as these are important categories under Internal Revenue Code section 501(c)(3) of charitable activity. Our proposal avoids the term "client," since that is a term not often used by 501(c)(3) organizations such as churches, food pantries, and child care centers to describe the people they assist, and therefore could lead to confusion. Our proposal specifies that it applies to board members while engaged in official 501(c)(3) duties. The October staff proposal does not call out board members, who are important emissaries of 501(c)(3) nonprofits. Furthermore, the October staff proposal states that the exemption applies to "the organization's employees engaged in the same activity" but it is not clear what "same activity" means. We propose the term "official duties" instead.

501(c)(3)s also should not have to hire an attorney each time they use the exemption to determine if it will apply in each instance. Unfortunately, the October staff proposal makes this outcome likely because it contains a final sentence that ambiguously limits the scope of the exemption by saying that it does not apply to "other action" by the organization. Other than what? We propose to clearly delineate between covered and non-covered activity by stating that the exemption does not apply when an organization seeks funding, property, or a permit from the City on its own behalf. This suggested language is more restrictive than current law. However, despite the fact that these activities, when undertaken by covered nonprofits such as a homeless shelter or affordable housing provider, do benefit disadvantaged people, we think it is reasonable to carve this activity out in exchange for a broader exemption as outlined here.

Finally, our proposal would exempt smaller nonprofit organizations, as measured by gross receipts, to alleviate the unique burdens smaller organizations face in tracking and reporting lobbying activities. This size cap is also a bright-line rule that adds clarity for a group of nonprofits that are unlikely to qualify as City lobbyists anyway, and therefore can give them peace of mind to participate in small ways without worrying about the liability that the MLO might otherwise impose. Smaller 501(c)(3)s aren't able to spend much on lobbying, and even in the rare situations where they could otherwise qualify as City

lobbyists, they especially may not have the capacity to hire an attorney to assist them with filing reports and determining when the organization's activities constitute lobbying under the MLO. This means that they are the most likely to decide not to participate based on being unsure as to whether they are covered by the exemption.

An organization with a budget under \$2.5 million is unlikely to have a staff person primarily focused on financial management, such as a Chief Financial Officer. For organizations of this size, financial reporting usually falls to the Executive Director, or possibly Chief Operating Officer, both of whom handle a wide array of other responsibilities such as HR. Rather than have staff with myriad other responsibilities take on another reporting responsibility, many groups at this size decide to limit their advocacy work instead of hiring staff or outside counsel for the purpose of complying with lobbying reporting requirements.

Finally, we want to address a question posed by Commissioner Levinson at the October meeting. She asked whether a for-profit business could form a nonprofit for the purpose of taking advantage of the proposed exemption. This outcome is extremely unlikely, for a few reasons.

First, nonprofit organizations exempt from taxation under section 501(c)(3) of the Internal Revenue Code must be organized and operated for an exempt purpose: religious, charitable, scientific, testing for public safety, literary, or educational. 26 USC § 501(c)(3). An organization organized and operated for the benefit of a "private interest" would not qualify for tax-exempt status as a 501(c)(3). 26 CFR § 1.501(c)(3)-1(d)(1)(ii). An organization organized for the purpose of advocating on behalf of a for-profit business would almost definitely be denied tax-exempt status as a 501(c)(3) by the IRS because it serves a private, rather than public interest. Even if the nonprofit conducted charitable activities, in addition to lobbying on behalf of the for-profit, it would still violate the private benefit rule which disallows all activities serving private interests that are not incidental to furthering an exempt purpose. See 2001 EO CPE Text, Private Benefit Under IRC 501(c)(3), 136-137. A group of businesses or individuals may form an organization for the purpose of improving business conditions for a line of business, including through lobbying, but the organization would be a 501(c)(6) organization and would not qualify for the proposed exemption.

Second, even if the organization were to obtain tax-exempt status as a 501(c)(3), it would most certainly be classified as a "private foundation," rather than a "public charity" because most, if not all, of its revenue would come from one source – the for-profit business. The IRS effectively prohibits private foundations from lobbying by imposing a tax of up to 100% of lobbying expenditures. 26 USC § 4945(d). Further, private foundation managers that knowingly authorize lobbying expenditures are personally liable for tax penalties. 26 USC § 4945(a)(2). Even if a for-profit company managed to raise additional funds for the organization to avoid private foundation status, it would still be limited to doing an insubstantial amount of lobbying, which could never exceed 20% of its total expenditures, and in most cases is a much lower percentage (closer to 5%). 26 USC §§ 501(c)(3) and (h); 4911. And this is assuming the organization receives funds from other sources that are not restricted from being used for lobbying.

Furthermore, the California Attorney General regulates charities to protect charitable assets for their intended use and ensure that the charitable donations contributed by Californians are not misapplied and squandered through fraud or other means. Cal Gov. Code § 12598(a).

We believe broadening the 501(c)(3) exemption as outlined above strikes the right balance - reducing the uncertainties that would deter participation of community-based organizations who advocate on behalf of underrepresented people while still ensuring meaningful disclosure to the public.

Thank you again for offering this opportunity to address the Commission on its review of the MLO.

Sincerely,



Nona Randois
California Director



Shyaam Subramanian
Southern California Counsel



THE PUBLIC INTEREST LAW OFFICE OF THE LOS ANGELES COUNTY AND BEVERLY HILLS BAR ASSOCIATIONS
The Southern California Affiliate of The Lawyers' Committee for Civil Rights Under Law

December 13, 2017

Los Angeles Ethics Commission
200 N Spring St # 2410
Los Angeles, CA 90012
Fax: (213) 978-1988

RE: Los Angeles Municipal Lobbying Ordinance

Dear City Ethics Commissioners,

Thank you for this opportunity to comment on the City Ethics Commission's review of the Los Angeles Municipal Lobbying Ordinance (MLO).

Public Counsel is a nonprofit law firm that provides free legal services to both individuals struggling with poverty and nonprofit organizations that serve low-income people in Los Angeles County. Each year, Public Counsel's Community Development Project provides free legal assistance and capacity building services to approximately 350 tax-exempt organizations working to fight poverty through affordable housing, health care, education, job training, advocacy, and other means. Public Counsel staff and volunteer attorneys assist nonprofits with a variety of legal issues, including advice on federal lobbying limits and state and local lobbying disclosure rules. Public Counsel and its clients engage in lobbying and other advocacy with the City of Los Angeles on behalf of low-income people in the City, almost all of whom are grossly underrepresented in the City's decision-making process.

At previous meetings of the Ethics Commission and in communications with commission staff, 501(c)(3) nonprofits in the City expressed concerns that proposed changes to the MLO would impose burdens that may stifle crucial advocacy by nonprofits and, alarmingly, reduce participation of low-income City residents in critical decision-making processes. For example, a community-based health care organization may decide not to produce a report on the health care needs of homeless residents if it is unsure whether the cost of the report is a lobbying expense. Such an expense would add burdensome administrative costs by forcing the organization to file regular lobbying reports and would subject it to civil and criminal penalties for mistakes or late filing.

At a time when many traditionally low-income groups are being targeted, the proposed ordinance stands to rob the City of vital input and expertise which might otherwise help the City make decisions that are fair and equitable to underrepresented communities. We recommend that the MLO exempts all nonprofit, 501(c)(3) organizations whose primary purpose is to provide assistance to low-income people.

As the Commissioners likely know, 501(c)(3) organizations must be organized and operated for an exempt purpose, and not for the benefit of any private individual. As such, advocacy and lobbying activities of nonprofit organizations that provide assistance to low-income people must be in service of



THE PUBLIC INTEREST LAW OFFICE OF THE LOS ANGELES COUNTY AND BEVERLY HILLS BAR ASSOCIATIONS
The Southern California Affiliate of The Lawyers' Committee for Civil Rights Under Law

that charitable or educational mission. An exemption for nonprofits that provide services to low-income individuals is therefore necessary in order to ensure that nonprofits can freely participate in City decision-making on behalf of the people they serve, without worrying whether their participation will subject them to burdensome lobbying registration and reporting rules. A nonprofit may decline to weigh in on important issues affecting low-income Angelenos if it fears that the organization may then be subject to expensive fees that take limited resources away from their programs.

Given that there are already numerous government authorities that currently oversee and regulate nonprofits, we encourage the Commission to minimize additional barriers to entry into civic discourse, and address our concerns by implementing the following:

First, we ask that the Commission broaden the proposal's 501(c)(3) exemption to include **all nonprofit organizations exempt under section 501(c)(3) of the Internal Revenue Code whose primary purpose is to provide assistance to low-income people for free or at below-market rates.** Broadening the exemption will clarify ambiguities in the current staff proposal; rather than using the term "direct basic life assistance," which is not a term recognized or widely used by nonprofit organizations, applying the exemption to all nonprofits that provide free or below-market assistance to low-income people ensures that the exemption is inclusive of the numerous nonprofits that provide critical support services to the City's underserved.

Second, we ask that the Commission remove the exemption requirement for government funding from the proposal. As written, this exemption requirement will force many small nonprofits that do not receive government funding to shift more resources to administration. Moreover, at a time when government funds are being reduced, this requirement raises serious concerns of future lobbying efforts by the many nonprofits in danger of losing access to government funding. To date, the Commission staff has not offered a clear rationale for this requirement. Indeed, staff was planning to remove it at an earlier stage of the review process when it inexplicably reversed course. Removing the requirement for government funding from the proposal will ensure that many small nonprofits that might otherwise be precluded by burdensome requirements will continue to be heard.

Third, we ask the Commission to explicitly include board members of nonprofits within the exemption. Doing so will ensure the ordinance more accurately reflects the nature of lobbying efforts in which small nonprofits engage. Implementing these changes will provide peace of mind to small nonprofits, and will allow them to continue to support their clients through civic dialogue without putting their organizational status at risk.

In addition, organizations exempt from taxation under 501(c)(3) of the Internal Revenue Code are prohibited by federal law from doing more than an insubstantial amount of lobbying, and any lobbying they do must be tracked and publicly reported on annual information returns with the IRS. As such, a nonprofit organization is already required by law to be transparent with all of its lobbying activities, unlike for-profit businesses. Moreover, 501(c)(3) organizations are prohibited from supporting or opposing candidates for office and risk revocation of tax-exempt status if they engage in impermissible campaign activity. This oversight ensures that the threat of pay-to-play corruption is considerably less with a 501(c)(3) organization than with a non-charitable lobbying entity.

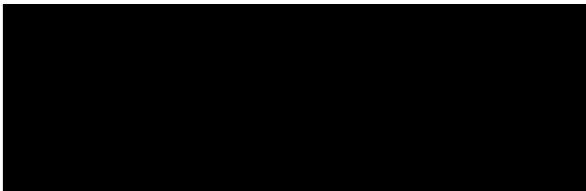


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We believe our recommendations strike the right balance - reducing the uncertainties that would deter participation of community-based organizations who advocate on behalf of underrepresented people while still ensuring meaningful disclosure to the public.

Thank you again for offering this opportunity to address the Commission on its review of the MLO.

Very truly yours,



Chris Homandberg
Community Development Project Law Fellow
PUBLIC COUNSEL



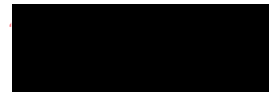
"There is no greater justice than equal justice"



Common Cause

Holding Power Accountable

California



www.commoncause.org

Los Angeles Ethics Commission

200 North Spring St.
City Hall, 24th Floor
Los Angeles, CA 90012

To the Commissioners:

California Common Cause thanks the Ethics Commission for conducting this comprehensive overview of the city's campaign finance laws.

In 2015, our organization supported the Ethics Commission's recommendations to improve Los Angeles' voluntary public matching funds by increasing the match rate to 6:1 and increasing the total amounts of funds disbursed to qualifying candidates. Since then, we have considered several alternatives to the recommendations:

- First, a "democracy voucher" system similar to that in Seattle where voters are granted by the city four \$25 vouchers to be distributed among candidates of their choice. While a promising solution toward leveling the playing field with candidates funded by big money donors, this system is still at the beginning stages and there is not yet enough election cycle data to determine its true effectiveness.
- Second, a system of full public financing in Los Angeles. While we support the concept of full public financing, it is unclear at this point the best way to make such a system viable given the Supreme Court's decisions ruling certain key components unconstitutional.

Therefore, our organization continues to support the original Ethics Commission recommendations proposed in 2015. We also still support any ideas that would further level the playing field in campaign finance and empower small donors in the process, including lowering the qualifying individual contribution cap for matching funds from the current \$250 for City Council candidates and \$500 for citywide candidates, or increasing the total amount available for any participating candidate significantly.

We believe that multiple studies¹ now conducted on New York and Los Angeles' systems show that increasing the match rate will have a positive impact of incentivizing candidates to communicate with a broader and more diverse base of constituents in neighborhoods across the city, instead of focusing only on the wealthiest of donors.

We support exploring additional improvements to a Super-Match system including: 1) removing the separate 1,000 signature requirement, and 2) creating a streamlined process for the Ethics Commission to quickly verify basic information about donors, to trigger release of matching funds. Other areas that may merit reevaluation include some of the requirements that candidates must meet in order to qualify for matching funds. While we want candidates to show some depth of support within their districts in order to obtain public matching funds, and we want to continue to see transparency and accountability in the program, we are concerned that the current requirements could be burdensome and may discourage some talented people from



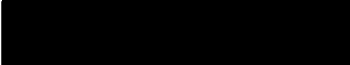
running for local office. Some adjustments may be necessary to ensure that the program is accessible to as many talented candidates as possible, and that everyday donors are encouraged to participate.

Finally, California Common Cause is supportive of Councilmember David Ryu's proposal to prohibit campaign contributions from developers. We believe such a reform will open up our elections even further to a broader array of candidates, encourage candidates to seek more donations from average Angelenos, and further lessen the need for candidates to constantly fundraise from wealthy donors.

We understand that creating categories of banned donations may be difficult to administer. California Common Cause would suggest that the Ethics Commission also examine the viability of implementing a straightforward ban on any contributions from non-individuals, that is, banning contributions from any corporations, unions, and even non-profits. Recent scandals involving donations from LLCs suggests that many individual donors have tried to circumvent the contribution limits by giving through multiple corporations. Limiting donations to ones that come from individual humans would remove this avenue for circumvention.

Los Angeles' citywide elections will soon be synchronized with state and federal elections in 2020, and it's estimated that millions more dollars will be spent on campaigns. With the recent rise of new political movements, such as the Tea Party, Black Lives Matter, Indivisible and #MeToo, we are seeing an explosion of interest in many different people running for office. However, because candidates who are women and people of color report encountering more difficulty than white men in accessing donor networks and raising money, our representative government still doesn't truly reflect the actual makeup our country.ⁱⁱ Therefore, it is imperative that we examine our campaign finance system to allow as many talented people as possible, representing a broad range of views, be given the opportunity to communicate their ideas to voters. Our local democracy will be the richer for it.

Sincerely,
Sylvia Moore, Southern California Organizer



California Common Cause

ⁱ Angela Migally, Susan Liss, and A.O. Schwarz, Jr., *Small Donor Matching Funds: The NYC Experience* (Brennan Center for Justice at New York University School of Law: 2010), <https://www.brennancenter.org/publication/small-donor-matching-funds-nyc-election-experience>; Michael Malbin and Michael Parrott, *Would Revising Los Angeles' Campaign Matching Fund System Make a Difference?* (The Campaign Finance Institute: 2016), http://www.cfinst.org/pdf/books-reports/LosAngeles_PublicFundingReport_2016.pdf

ⁱⁱ Women Donors Network, *Who Leads Us?* (2014), <https://wholeads.us/>; Adam Lioz, *Stacked Deck: How the Racial Bias in Our Big Money Political System Undermines Our Democracy and Our Economy* (Demos: 2015), <http://www.demos.org/publication/stacked-deck-how-racial-bias-our-big-money-political-system-undermines-our-democracy-a-o>

Los Angeles Ethics Commission

200 North Spring St.
City Hall, 24th Floor
Los Angeles, CA 90012

To the Commissioners:

On behalf of Represent San Gabriel Valley, affiliate of the non-partisan organization Represent Us, I want to thank the Ethics Commission for conducting a policy review of Los Angeles' campaign finance laws.

Equal representation is the cornerstone of democracy. No one person should have greater representation than any other person. The reality of unlimited money in politics challenges that ideal.

Represent Us formed in 2012 to fight the corrupting effects of money in our political system. We advocate for common-sense reforms at the local and state levels of government that work to prevent money's undue influence on the outcome of elections and subsequent government policies. When our elected politicians are beholden to a minority of moneyed interests rather than all of the constituents they represent, we all lose, and the democratic system breaks down.

I commend the City of Los Angeles for its campaign finance laws, as they go further than the laws in most other cities in California, and I am especially grateful for the Ethics Commission's work to enforce L.A.'s campaign finance laws. You are the gatekeepers of democracy in Los Angeles and your work is invaluable.

That said, as good as L.A.'s campaign finance laws are, they can certainly be improved upon to further decrease money's influence in city politics, prevent circumvention of the law, lower barriers to running for local office, and place a greater premium on messaging, qualifications, and good governance rather than fundraising and power brokering. The reforms that California Common Cause is proposing will do just that and Represent San Gabriel Valley fully supports them.

Represent San Gabriel Valley also supports Councilmember David Ryu's proposal to prohibit campaign contributions from developers, not because they are lesser human beings, but because they are not greater human beings. Their voices should not be granted precedence over the voices of others simply because they have greater means. Developers consistently give large donations to city council candidates across California in an attempt to unduly swing elections and illicit favorable votes from the candidate's they support. Developers have also proven to be some of the most egregious violators of campaign finance laws. When developers, like Samuel Leung, use their greater resources to elaborately circumvent our good laws they

make a mockery of our democratic institutions and cost the City time and money to investigate and prosecute them.

Finally, as a chapter leader of Represent Us, I often talk about L.A.'s campaign finance laws with our members, many of whom live in L.A., and encourage them to think about how these laws can be improved. I truly believe that the proposals presented to the Ethics Commission today are a great start. I hope the Ethics Commission and City Council will vote to improve L.A.'s campaign finance laws. If they do, the residents of Los Angeles will benefit and the City of Los Angeles will be viewed as a leader in the campaign finance reform effort.

Sincerely,
Sean McMorris
Chapter Leader, Represent San Gabriel Valley





Ethics Policy <ethics.policy@lacity.org>

Letter to the Ethics Commission from CA Common Cause re: campaign finance review

Sylvia Moore <SMoore@commoncause.org>

Mon, Jun 18, 2018 at 7:59 PM

To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>

Please see our attached letter. Thank you.

Sylvia Moore

Southern California Organizer

California Common Cause
453 S. Spring St, Suite 401

Los Angeles, CA 90013

213.623.1216 | smoore@commoncause.org

ca.commoncause.org

Twitter [@sylviaccc](https://twitter.com/sylviaccc) | [@CommonCauseCA](https://twitter.com/CommonCauseCA)

Facebook [California Common Cause](#)

YouTube [CA Common Cause TV](#)

LinkedIn [Sylvia Moore](#)



CCC letter to Los Angeles Ethics Commission re_campaign finance_6_19_18.docx
295K

Los Angeles Ethics Commission
200 North Spring St.
City Hall, 24th Floor
Los Angeles, CA 90012

To the LA Ethics Commissioners:

On behalf of California Common Cause, we appreciate the LA Ethics Commission's efforts to examine potential changes to Los Angeles' campaign public financing program. At the April general meeting, the Commission asked a number of important questions for which we have provided our recommendations below.

That said, we are extremely concerned that the Commission may be abandoning the previous commitment to a public process that would strengthen the public financing program, and instead only examine changes that would reinforce incumbent advantage. There has been growing storm of public anger around special interest money flowing to city officials – to only focus on how to allow candidates to raise more money from private donations ignores the warning signs. We strongly urge the Commission re-commit to considering the entire range of reforms that would restore public trust in our city elected officials.

Matching Funds Rate

We strongly support raising the current match rate to 6:1 for both the primary and general elections. This rate would put Los Angeles on par with cities such as New York and Berkeley and counties such as Montgomery County, MD. Boosting the rate will have a positive impact of incentivizing candidates to communicate with a broader and more diverse base of constituents in neighborhoods across the city, instead of focusing only on the wealthiest of donors.

In-District Contribution Requirement

We strongly support a requirement that candidates raise a certain number of contributions within their districts (for City Council) or within the city of Los Angeles (Citywide candidates). Candidates must demonstrate some basis of support within their communities. We are open to considering an adjustment of the total number of in-district contributions required from 200 residents to a different number.

Qualifying Signature Requirement

We strongly recommend eliminating the requirement that candidates gather an extra 500 signatures to qualify for the full matching funds. This additional requirement does nothing to encourage constituent contact as most campaigns simply pay signature-gatherers.

Debate Participation Requirement

We strongly support the requirement that candidates participate in a town hall or debate before receiving matching funds.

Increasing the Per-Candidate Maximum Amounts

We strongly support increasing the total amount of matching funds given to qualifying candidates, following Ethics' staff recommendations, adjusted for CPI. However, we suggest rounding up the numbers slightly for the following offices:

- City Council: Primary - \$175,000; General - \$200,000
- City Controller: Primary - \$450,000; General - \$525,000

For City Attorney and Mayor, we agree with the numbers proposed by Ethics staff.

Restrictions on Developer Contributions

We agree with Councilmember David Ryu that a ban on contributions from developers would be a positive step toward reforming our elections, opening them up to a broader array of candidates, and developing a more even playing field for candidates of varying economic backgrounds.

In the event that such a ban is found to be difficult to administer, we strongly recommend a clean ban on all non-individual contributions, similar to the federal ban and San Diego's ban.

Contributor Certification

We support the idea that campaign donors should be required to sign a form attesting to their contribution, whether that be a paper form or online form. Not only would this provide some accountability to the system, but also protect contributors and candidates alike. And such a form would make it easier for Ethics staff to track contributions if there later on there is a complaint.

Conclusion

California Common Cause urges the Ethics Commission to consider stronger and more equitable approaches to Los Angeles' campaign finance system. We believe such changes will increase voter participation in local elections, broaden the kinds of donors who contribute and encourage more people of various economic backgrounds and political views to run for office.

Sincerely,

Sylvia Moore, Southern California Organizer

California Common Cause



California Common Cause Recommendations Improvements to the LA City Campaign Finance Matching Funds System August 2018

We are respectfully requesting, after much extensive research and discussion, that the Los Angeles Ethics Commission support a proposal to improve the matching funds system to reward candidates who prioritize communicating with City residents and constituents, in order to promote City government that is responsive and reflective of all residents.

California Common Cause is proposing the following. We focus these recommendations on City Council races, but would support adjusting amounts for city-wide races accordingly:

1. **Super Match system – 6:1.** (Increase the match rate to \$6 of public dollars for each \$1 of personal contribution made that meets certain requirements).
2. **Qualification threshold.** A candidate for City Council would need to raise \$25,000 (contribution threshold) and agree to participate in a debate or town hall (debate agreement). To meet the contribution threshold:
 - a. Only contributions from LA City residents (individual persons) may count toward the contribution threshold and be matched.
 - b. Only contributions up to 1/6 of the contribution limit (for 2020, that would be approximately \$135) may count toward the contribution threshold and be matched.
 - c. A council candidate must receive at least 100 contributions from residents of the district.
3. **Maximum Matching Funds.** The maximum amount that any qualified Council candidate will receive per primary or general election is \$150,000 (i.e. Qualifying threshold of \$25,000 x 6).
4. **LA City Residents only.** Only contributions from individual LA residents will be matched.
5. **Debate bonus.** Create an award of \$25,000-50,000 for candidate participation in a qualified debate or town hall. Candidates who meet all other qualifications for matching funds are eligible for the debate bonus. A qualified debate or town hall must be: 1) open to and advertised the public and media, 2) invite more than one candidate to attend, 3) allow constituents/audience to interact with candidates.
6. **Eliminate the signature requirement.** Eliminate the 500 signature requirement, since there are not different levels of matching fund ratios.

Attached, we provide a quick chart that compares the current system to the proposed changes. Thank you for your consideration. Should you have any questions at all, we would happy to discuss this proposal, 213.623.1216. Unfortunately, we will not be able to attend the August Ethics Commission meeting.

Kathay Feng
Executive Director, California Common Cause

Sylvia Moore
Southern California Organizer, California Common Cause



Attachment A

Side by side comparison of Current System and Proposed System

Moderate Match What we have now	Super Match 6 to 1 proposal
<p>To qualify for matching funds, a candidate must:</p> <ul style="list-style-type: none"> - Raise \$25,000 total ("Qualifying Threshold) - In amounts of \$250 or less - From any LA City resident - City Council candidates must also raise donations from at least 200 district residents. - To get the 2:1 match, gather 500 signatures <p>The same rules start over again and apply for the general elections.</p>	<p>To qualify for matching funds, a candidate must:</p> <ul style="list-style-type: none"> - Raise \$25,000 total ("Qualifying Threshold) - In amounts of \$135 or less (or 1/6 of the contribution limit) - From any LA City resident, and - City Council candidates must also raise donations from at least 100 district residents. - No signature requirement <p>The same rules start over again and apply for the general elections.</p>
<p>Maximum Matching Funds:</p> <p>The total matching funds disbursed for a qualified City Council candidate in the primary is \$100,000.</p> <p>The total matching funds disbursed for a qualified City Council candidate in the primary is \$125,000.</p>	<p>Maximum Matching Funds:</p> <p>The total matching funds disbursed for a qualified City Council candidate in the primary is \$150,000.</p> <p>The total matching funds disbursed for a qualified City Council candidate in the primary is \$150,000.</p> <p>This amount may be adjusted by CPI each year.</p>
<p>Debate Agreement:</p> <p>To qualify for matching funds, a candidate must agree to participate a debate (but is not required to show up).</p>	<p>Debate Bonus:</p> <p>A qualified candidate may receive a debate bonus (TBD, between \$25,000-\$50,000) by participating in a qualified debate or town hall.</p>
<p>Contribution limits:</p> <p>In 2020, City Council Candidates may raise from Los Angeles City residents up to \$800/contributor.</p>	<p>Contribution limits: No change.</p> <p>In 2020, City Council Candidates may raise from Los Angeles City residents up to \$800/contributor.</p>





Ban donations from corporations & unions. Commit to a robust public matching funds program that amplifies the voices of Angelenos.

WAYNE WILLIAMS [REDACTED]

Mon, Jun 18, 2018 at 6:10 PM

To: ethics.policy@lacity.org, councilmember.Wesson@lacity.org

Dear Ethics Commission members and Council President Wesson:

As a board member of the California Clean Money Campaign I am outraged that the process to move forward with a 6:1 matching funds system has been dropped even from public discussion let alone proceeding with the recommendations of previous Los Angeles Ethics Commissions recommendations.

I urge you to support strengthening the Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions.

It's time we give Los Angeles voters a greater voice in local elections. It has often been said, that when money is speech, speech is no longer free.

Please immediately put the 6:1 matching funds recommendation back in place, establish a limit of no more than \$100 per donation and remove corporations, city contractors and unions from the contribution process in elections.

Failure to act on a system that is working effectively in other major cities is a affront to citizens of Los Angeles who clearly do not believe the election process validates they need to participate, proven by such low voter turn out in past elections. Our democracy is failing, and money is the root of the problem.

I look forward to your positive and effect response by reinstating the process of establishing a 6:1 matching funds process and send such recommendations to the city council for a vote. That is the democratic process we all can respect.

Sincerely,

Wayne

Wayne Williams
Board Member
California Clean Money Campaign

Secretary/Treasurer
California Clean Money Action Fund

Email: [REDACTED]
[REDACTED]

"If money is speech, then speech is no longer free" - Derek Cressman



Ethics Policy <ethics.policy@lacity.org>

An ethical city

Thomas Walsh [REDACTED]

Mon, Jun 18, 2018 at 6:22 PM

Reply-To: Thomas Walsh [REDACTED]

To: ethics.policy@lacity.org, councilmember.Wesson@lacity.org

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and and only contributions.

Union contributions can still happen, but without the matching.

It's time we give Los Angeles voters a greater voice in local elections.

Thank you,

Tom Walsh

Proud Los Angeles resident



Ethics Policy <ethics.policy@lacity.org>

Campaign Finance System

Fiona Priskich [REDACTED]

Mon, Jun 18, 2018 at 6:39 PM

To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>, "councilmember.Wesson@lacity.org" <councilmember.Wesson@lacity.org>

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Regards,

Fiona Priskich



Ethics Policy <ethics.policy@lacity.org>

LA Ethics Commission and Council President Herb Wesson

Jeffrey Imber [REDACTED]
To: ethics.policy@lacity.org

Mon, Jun 18, 2018 at 7:00 PM

Dear Ethics Commission/Council President Wesson:

Los Angeles deserves better. It's time for an outright ban on donations from corporations and unions. And it's time to commit to a robust public matching funds program that amplifies the voices of Angelenos. And it's time to commit to a robust public matching funds program that amplifies the voices of Angelenos.

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Jeffrey Imber
Los Angeles County Resident



Ethics Policy <ethics.policy@lacity.org>

Campaign Financing

Charles Wolfe [REDACTED]
To: ethics.policy@lacity.org

Mon, Jun 18, 2018 at 7:28 PM

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Yours,

Charles Wolfe

[REDACTED]
Sylmar, CA

[REDACTED]



Ethics Policy <ethics.policy@lacity.org>

Campaign finance ethics

Lisa S. Larsen, PsyD [REDACTED]
To: ethics.policy@lacity.org

Mon, Jun 18, 2018 at 7:28 PM

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching fund's rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Sincerely,

Lisa S. Larsen, PsyD

Psychologist and coach helping you listen to your body and mind for a happier life

<http://www.lisaslarsen.com>



campaign finance reform

Suju Vijayan [REDACTED]
To: ethics.policy@lacity.org

Mon, Jun 18, 2018 at 8:13 PM

To the Ethics Commission:

Indivisible CA29 - part of the network of thousands of Indivisible groups representing every Congressional district in our country - respectfully asks that you support important changes that will strengthen Los Angeles' public campaign finance system. We believe reforms recently proposed by the city's Ethics Commission will greatly enhance the voices of working people in Los Angeles.

These reforms would allow candidates to campaign without spending the bulk of their time constantly fundraising, and would encourage candidates to spend more time talking with constituents, not just wealthy donors. A more robust public financing system would promote opportunities for a more diverse set of candidates to run for office, regardless of personal wealth or access to wealth. The reforms would also hold elected officials accountable to local voters, and give candidates with strong ties to the community a better shot at running a viable campaign.

The following reforms would strengthen the program:

- Raise Matching Funds Rate – Raise the match rate to 6:1 for all qualifying contributions.
- Raise Maximum Matching Fund Amounts

We believe these changes would give voters in Los Angeles greater ownership in local elections, and broaden political participation. In a time of increasing wealth inequality, it is imperative that everyone have equal access to the political process. The people of Los Angeles deserve an even more effective public finance system. Council President Wesson, time is of the essence, so we urge you and the City Council to promptly pass these reforms in time for the next election cycle.

Thank you.

Sincerely,

Suju Vijayan

Chrystal Baker

Tula Jeng

Steering Committee, Indivisible CA29



Ethics Policy <ethics.policy@lacity.org>

Campaign Financing -- Time for Real Change

Paul A. Beck [REDACTED]
To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>

Mon, Jun 18, 2018 at 8:30 PM

Dear Ethics Commission and Council President Wesson:

I urge you – in the strongest possible terms -- to support strengthening the City of Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning all corporate and union contributions. It's high time we give Los Angeles voters a greater voice in local elections.

You know this is right. Please follow through. Otherwise, we will continue to be at the mercy of wealthy corporations and developers, and institutions, instead of listening to the citizens, the people, who actually are your constituents and who actually reside in Los Angeles.

Thank you.

Very truly yours,

Paul A. Beck

Paul A. Beck

Law Offices of Paul A. Beck

A Professional Corporation

13701 Riverside Drive, Suite 202

Sherman Oaks, California 91423

Tel: (818) 501-1141

Fax: (818) 501-1241

Email: pab@pablaw.org



Ethics Policy <ethics.policy@lacity.org>

Campaign Finance

Kristy Pace [REDACTED]
Reply-To: Kristy Pace [REDACTED]
To: ethics.policy@lacity.org

Mon, Jun 18, 2018 at 8:35 PM

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Best,

Kristy Pace
LA Resident



Ethics Policy <ethics.policy@lacity.org>

re: Campaign finance syststem

June Stepansky [REDACTED]
To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>

Mon, Jun 18, 2018 at 9:11 PM

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections. It is an important step to strength our democracy.

Sincerely,

June Stepansky



Ethics Policy <ethics.policy@lacity.org>

Campaign Finance

John Hydar [REDACTED]

Mon, Jun 18, 2018 at 10:13 PM

Reply-To: [REDACTED]

To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>

Dear Ethics council,

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

John Hydar



Matching Funds discussion

Kathryn MacDonald [REDACTED]
To: ethics.policy@lacity.org

Mon, Jun 18, 2018 at 10:19 PM

Dear Ethics Commission members and Council President Wesson:

As a board member of the California Clean Money Campaign I am outraged that the process to move forward with a 6:1 matching funds system has been dropped even from public discussion let alone proceeding with the recommendations of previous Los Angeles Ethics Commissions recommendations.

I urge you to support strengthening the Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions.

It's time we give Los Angeles voters a greater voice in local elections. It has often been said, that when money is speech, speech is no longer free.

Please immediately put the 6:1 matching funds recommendation back in place, establish a limit of no more than \$100 per donation and remove corporations, city contractors and unions from the contribution process in elections.

Failure to act on a system that is working effectively in other major cities is a affront to citizens of Los Angeles who clearly do not believe the election process validates they need to participate, proven by such low voter turn out in past elections. Our democracy is failing, and money is the root of the problem.

I look forward to your positive and effect response by reinstating the process of establishing a 6:1 matching funds process and send such recommendations to the city council for a vote. That is the democratic process we all can respect.

Sincerely,

Kathryn MacDonald



Ethics Policy <ethics.policy@lacity.org>

Banning Corporate and Union Contributions in Local Elections

Michael Caughey [REDACTED]

Mon, Jun 18, 2018 at 10:21 PM

Reply-To: [REDACTED]

To: ethics.policy@lacity.org

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Michael Caughey



Ethics Policy <ethics.policy@lacity.org>

Dear President Wesson

Salvador Rios [REDACTED]
To: ethics.policy@lacity.org

Mon, Jun 18, 2018 at 10:26 PM

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Salvador Rios



Ethics Policy <ethics.policy@lacity.org>

Los Angeles' campaign finance system

Elio Zarmati [REDACTED]
To: ethics.policy@lacity.org

Mon, Jun 18, 2018 at 10:48 PM

Dear Ethics Commission:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Elio Zarmati



Ethics Policy <ethics.policy@lacity.org>

Campaign Finance

Suzanne Habbershaw [REDACTED]

Mon, Jun 18, 2018 at 11:25
PM

Reply-To: Suzanne Habbershaw [REDACTED]

To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

We need to get money out of politics - know that sounds like a pipe dream, but it would make everything better.

Thanks for "listening."

Suzanne Habbershaw
Shadow Hills 91040



Ethics Policy <ethics.policy@lacity.org>

Fight "Business as Usual" Money Politics in Los Angeles

James Chi [REDACTED]

Tue, Jun 19, 2018 at 12:15 AM

To: ethics.policy@lacity.org, councilmember.Wesson@lacity.org

Dear Ethics Commission and Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Regards,

James Chi
Los Angeles, CA



Ethics Policy <ethics.policy@lacity.org>

Public financing

Valentine Miele [REDACTED]
To: ethics.policy@lacity.org

Tue, Jun 19, 2018 at 2:17 AM

To the ethics commission:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Valentine Miele
Glendale, CA



Ethics Policy <ethics.policy@lacity.org>

LA Campaign Finance System

Theresa Stewart <theresa@tmstewartcpa.com>
To: "ethics.policy@lacity.org" <ethics.policy@lacity.org>

Tue, Jun 19, 2018 at 7:40 AM

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Theresa M. Stewart, CPA

Theresa M. Stewart, CPA, An Accountancy Corporation

28005 Smyth Drive, Suite 152

Valencia, CA 91355

661-254-2981 x801 Office

661-254-2981 Fax

Cell

E-mail: theresa@tmstewartcpa.com u Website: www.tmstewartcpa.com

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6333 North State Highway 161, Fourth Floor, Irving, Texas 75038 (972)870-6000

Theresa M. Stewart, CPA, An Accountancy Corporation is not a registered broker/dealer or registered investment advisory firm.



Ethics Policy <ethics.policy@lacity.org>

Los Angeles Campaign Finance

1 message

Paulette Villanueva [REDACTED]
To: ethics.policy@lacity.org

Tue, Jun 19, 2018 at 9:50 AM

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Paulette

Sent from my iPad



Ethic reform is needed!

1 message

stella zarakhovsky [REDACTED]

Tue, Jun 19, 2018 at 10:29 AM

To: ethics.policy@lacity.org

Cc: Gary and Darby Manning [REDACTED]

Dear

Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

It's time to stop wealthy developers to rule in the City departments!

Respectfully,
Stella Grey

[REDACTED]



Campaign Finance

1 message

Julie Hoy [REDACTED]

Tue, Jun 19, 2018 at 10:37 AM

To: ethics.policy@lacity.org, councilmember.Wesson@lacity.org

Dear Ethics Commission/Council President Wesson:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections and set an example for the nation on ethical campaign finance.

Thank you,
~Julie



Real LA campaign finance reform needed today

1 message

Kate Tews [REDACTED]

Tue, Jun 19, 2018 at 10:49 AM

To: ethics.policy@lacity.org, councilmember.Wesson@lacity.org

To the Ethics Commission and Council President Wesson:

Los Angeles voters need the greatest voice in local elections—not corporate donors and union donors. Please strengthen the Los Angeles campaign finance system by raising the matching funds rate to 6-1 for all resident contributions, while banning corporate and union contributions.

Studies of other major cities that raised the matching rate reduces the influence of special interests in local elections. It also incentivizes those running for office, and those working on issue campaigns, to address individual constituents rather than chasing money.

It's offensive to me that it costs so much to run for office in Los Angeles in particular, California on a larger scale, and America in general. It should never be about money.

Please do the right thing and commit to amplifying the voices of Los Angeles citizens.

Sincerely,
Kate Tews

[REDACTED]
Los Angeles, CA 90039



Ethics Policy <ethics.policy@lacity.org>

Strengthening LA campaign finance system

1 message

Carey Kayser [REDACTED]

Tue, Jun 19, 2018 at 7:29 PM

To: ethics.policy@lacity.org

Dear Ethics Commission:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

-Carey Kayser
Los Angeles, 90027



Help achieve an open and accountable government

June 19, 2018

Dear Los Angeles City Ethics Commission,

The California Clean Money Campaign is writing to **STRONGLY OPPOSE** several parts of the Commission's proposed amendments to key campaign finance laws.

We do support proposals (4) to remove the unnecessary two-tiered signature qualifying requirement, (5) to increase the maximum funds available to candidates, and (6) to update the contributor certifications.

However, we strongly oppose the following changes that will dramatically weaken the intent of the matching funds program to have candidates engage more with their constituents and to encourage small donations from city residents, especially in candidates' districts.

STRONGLY OPPOSE Proposal 1, Option 2 to eliminate the in-district \$5 contribution requirement. Most council candidates raise the vast majority of contributions outside their districts, especially in the less wealthy districts, substantially decreasing their engagement with constituents. The requirement to gather 200 \$5 contributions to qualify gives them at least some incentive to fundraise from their constituents.

While it's possible that lowering the threshold as proposed in Option 1 could be warranted if candidates are finding it too difficult to qualify – though we would prefer it be lowered to only 150 rather than 100 -- completely removing the in-district contribution requirement would return LA's matching funds system to the bad old days where participating candidates didn't have to raise a single dollar from their districts.

OPPOSE Proposal 2 to allow candidates to participate in town halls rather than debates. One of the key purposes of public financing is to increase how much people hear from competing candidates. Allowing participating candidates to shirk debates by engaging in a town hall meeting of their choosing without competing candidates involved goes completely against this. It would be reasonable to amend this proposal to say that candidates can engage in a town hall instead of a debate if they do not have any opponents.

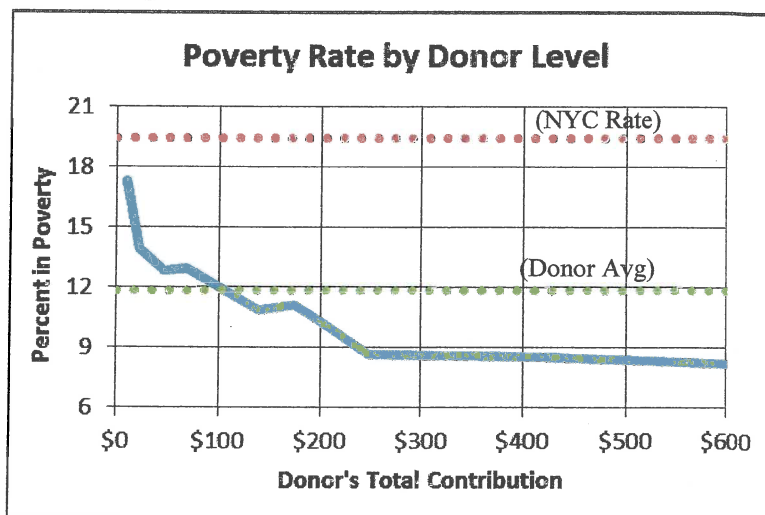
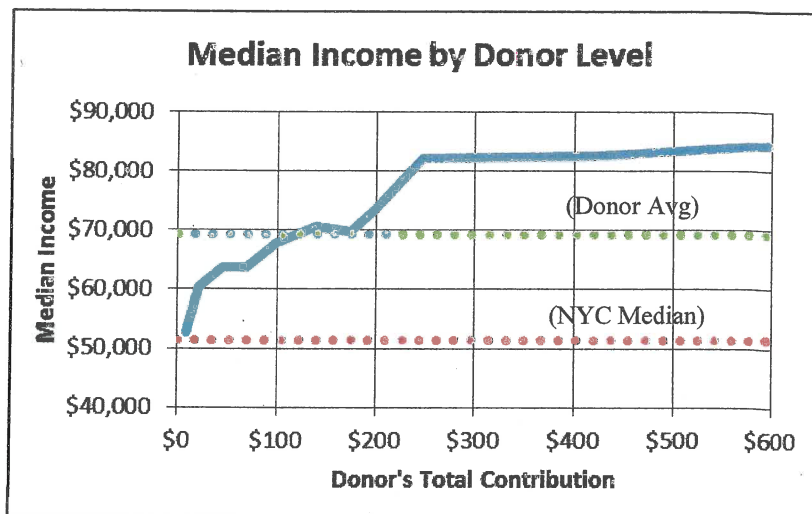
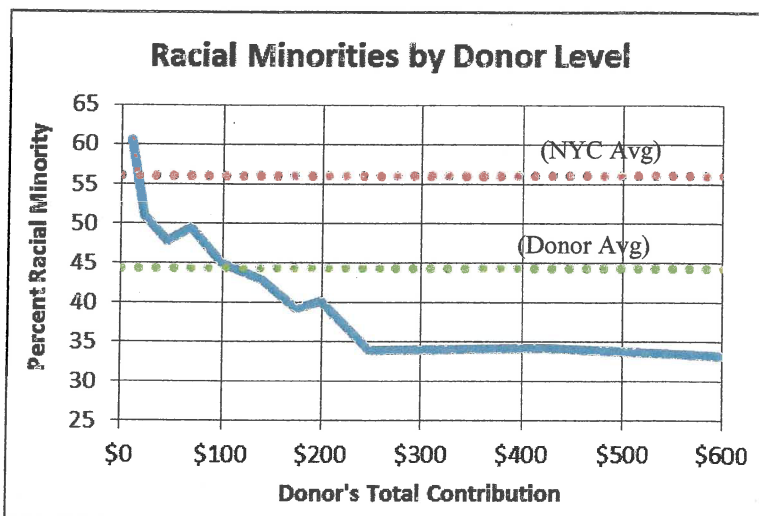
STRONGLY OPPOSE Proposal 2 to increase the aggregate contribution thresholds. It is hard enough for some of the smaller candidates to qualify and get their voices heard with the current thresholds, and we have not seen an onslaught of qualified candidates with the current thresholds. There is no reason to raise the thresholds by 50% to shut even more small candidates out of the system.

STRONGLY OPPOSE Proposal 2 to allow contributions from outside the city to be used to qualify. These are Los Angeles taxpayer dollars going to support Los Angeles candidates for Los Angeles elected offices. Candidates who cannot qualify raising funds from City residents should not qualify. Period.

STRONGLY OPPOSE D, Amendment Not Previously Discussed, to increase the amount that gets matching for council candidates from \$250 to \$300 and for citywide candidates from \$500 to \$700. The whole point of matching funds systems is to boost the power of small donors. The maximum amount that gets matched per contributor should be lowered, not increased. As the attached study of New York donors shows, donors who can contribute above well above \$100 do not reflect the racial or income diversity of the city. A study of Los Angeles donors would almost certainly show the same.

Demographic Diversity at Different Donation Levels

Charts are from a 2013 Public Campaign study of New York City donors in their 6-1 matching funds system (memo included).





Ethics Policy <ethics.policy@lacity.org>

LA Campaign Finance System

1 message

Ange Gunn [REDACTED]
To: ethics.policy@lacity.org

Wed, Jun 20, 2018 at 9:10 AM

Dear Ethics Commission:

I urge you to support strengthening Los Angeles' campaign finance system by raising the matching funds rate to 6 to 1 for all resident contributions and banning corporate and union contributions. It's time we give Los Angeles voters a greater voice in local elections.

Thank you for your time.

Best,

Angela Gunn

--

Angela Gunn
[REDACTED]



Statement for the public record

1 message

Sean McMorris [REDACTED]

Thu, Jul 26, 2018 at 5:07 PM

To: "ethics.policy" <ethics.policy@lacity.org>

Hello,

Represent Los Angeles-San Gabriel Valley is submitting public comments for the upcoming Ethics Commission meeting. We support improvements to L.A.'s campaign finance laws that the Ethics Commission will be reviewing and making recommendations on. Please forward my statement to the Ethics Commissioners.

Regards,
Sean McMorris
Chapter Leader, Represent Los Angeles-San Gabriel Valley



2nd letter to Los Angeles Ethics Commission.pdf

48K



Los Angeles Ethics Commission

200 North Spring St.
City Hall, 24th Floor
Los Angeles, CA 90012

To the Commissioners:

On behalf of Represent Los Angeles-San Gabriel Valley, an affiliate of the non-partisan organization, [Represent Us](http://www.represent.us), I want to thank the Ethics Commission for considering improvements to L.A.'s campaign finance laws.

Represent Us has dozens of chapters across the country with one aim: a fairer electoral process that is not beholden to money, but rather a candidates message, qualifications, and will to equally represent all constituents regardless of their wealth.

The Represent Los Angeles-San Gabriel Valley chapter has been following L.A.'s campaign finance reform process closely. Our members are hopeful that the Ethics Commission will recommend the implementation of reforms that further level the playing field and encourage more candidates to run for city office by minimizing barriers and increasing matching funds.

Represent Los Angeles-San Gabriel Valley supports California Common Cause's recommendations for reform, specifically:

Matching Funds Rate

We strongly support any increase in the match rate, but hope that the Commission will support raising the current match rate of 2:1 for primary elections and 4:1 for general elections to 6:1 for both primary and general elections. Raising the match rate to 6:1 will open the door to many qualified candidates who would not otherwise consider running for city office because of the severe financial burden of getting their message out to a majority of residents in their district.

In-District Contribution Requirement

We strongly support mandating that a percentage of contributions come from a councilperson's district, and, in the case of the Mayor, the City of Los Angeles. Ideally, a majority of donations would come from a councilperson's district, but demographic and economic disparities between districts could disadvantage fundraising efforts for candidates in some districts more so than candidates in other districts. Nonetheless, a councilperson and the mayor should be first and foremost beholden to their constituents, not outside interests. Requiring that a certain number of contributions come from within districts and the City will better ensure that this is so.



Qualifying Signature Requirement

We strongly support eliminating any additional candidate signature-gathering requirements. Signature gathering is extremely cumbersome and time-consuming. It is also costly. Many candidates pay signature gathers, which puts candidates who cannot afford petition circulators at a disadvantage. Increasing the number of signatures is also counterproductive to the efficacy of the process (inducing candidates to knock on doors and speak to residents), as it will likely cause more candidates to pay people to gather their signatures, reducing candidate-resident face time and interaction.

Debate Participation Requirement

We strongly support requiring candidates to participate in a town hall or debate before receiving matching funds. A town hall or debate is an opportunity for residents to ask candidates questions and find out what they stand for, which fosters informed voting.

Increasing the Per-Candidate Maximum Amounts

We strongly support an increase in the total amount of matching funds, adjusted to CPI, given to qualifying candidates. Increasing the pool of public money available to candidates will 1) increase candidate messaging power, 2) foster more competitive elections, and 3) allow candidates who opt-in to the matching funds program to better compete with wealthy or well-connected big-money-donor-candidates who do not participate in the program.

Restrictions on Developer Contributions

We strongly support a ban on contributions from developers, not because they are lesser people, but because they are not greater people. Development in L.A. is immense and often controversial. As it is a billion dollar industry, the incentives are great for developers to spend lavishly on lobbying efforts for their projects as well as their preferred candidates, and even circumvent L.A.'s campaign finance laws, in an attempt to curry favor and undue influence at City Hall. A developer's means so far exceed the means of the average person that they have a significant leg up in the policymaking process already, more so than 99% of L.A. residents. Thus, additional restrictions on developers are justified within a system of government based on equality. Furthermore, placing restrictions on developers is a natural extension to L.A.'s current donor restrictions on lobbyists and City bidders.

If the Commission finds that such a ban is unfeasible, we hope the Commission will consider a clean ban on all non-individual contributions, similar to San Diego's ban.



Contributor Certification

We support requiring donors to certify their contributions by signing a form, as it would provide greater accountability, transparency and protection, and aid investigations of wrongdoing.

Conclusion

Represent Us, Los Angeles-San Gabriel Valley, thanks the Ethics Commission for seeking to improve Los Angeles' campaign finance laws through re-evaluation and public debate. We encourage the Commission to adopt the reforms outlined in our letter. We strongly believe that such reforms will greatly improve the City's electoral process and foster a purer political and governmental environment in Los Angeles, absent the undue influence of big-money and power-brokering that so often plagues our elections and democratic institutions.

Thank you for your time and consideration.

Sincerely,

Sean McMorris

Chapter Leader, Represent Los Angeles-San Gabriel Valley

401 E. Live Oak Street, Suite 8
San Gabriel, CA 91776



Matching Funds Support Letter

1 message

Michelle Lim <mlim@advancingjustice-la.org>
To: ethics.policy@lacity.org

Wed, Aug 1, 2018 at 11:05 AM

Dear Los Angeles Ethics Commissioners,

My name is Michelle Lim, voting rights policy advocate at Asian Americans Advancing Justice-LA. I am writing you to support the potential changes to the LA City's campaign public financing program. Our letter is attached below.

Please let me know if you have any questions. I can be reached at 213-241-0255.

Thank you for your consideration,
Michelle

--

Michelle Lim
Pronouns: she, her
Voting Rights Policy Advocate
Asian Americans Advancing Justice | Los Angeles

1145 Wilshire Blvd Los Angeles, CA 90017

T: (213) 977-7500 213-241-0255

F: (213) 977-7595

advancingjustice-la.org

Building upon the legacy of the

Asian Pacific American Legal Center



Matching Funds Support Letter - Advancing Justice LA.docx
113K



August 1, 2018

Los Angeles Ethics Commission
200 North Spring St.
City Hall, 24th Floor
Los Angeles, CA 90012

To the Los Angeles Ethics Commissioners:

On behalf of Asian Americans Advancing Justice-Los Angeles (“Advancing Justice-LA”), we urge you to support important changes that will strengthen Los Angeles’ public campaign finance system.

Advancing Justice-LA is the nation’s largest legal and civil rights organization for Asian American, Native Hawaiian and Pacific Islander communities. For many years, Advancing Justice-LA has advocated for language access to the ballot for limited-English proficient voters, fair representation for communities of color, and the voting rights of our communities generally.

These public campaign finance reforms would give grassroots candidates with strong ties to the community, candidates of color, and candidates from low-income or working class backgrounds a better chance to run for office and represent their own communities. A more robust public financing system would promote opportunities for a more diverse set of candidates to run for office, regardless of their personal wealth or access to wealth. These reforms would also allow candidates to campaign without spending the bulk of their time constantly fundraising, would encourage candidates to spend more time talking with constituents, not just wealthy donors, and hold elected officials accountable to local voters.

The following reforms would strengthen the program:

- **Raise Matching Funds Rate:** We strongly support raising the current match rate to 6:1 for both the primary and general elections. This rate would put Los Angeles on par with cities like New York and Berkeley and counties such as Montgomery County, MD.
- **Raise Maximum Matching Fund Amounts:** We strongly support increasing the total amount of matching funds given to qualifying candidates, following Ethics’ staff recommendations, adjusted for CPI. However, we suggest rounding up the numbers slightly for the following office:
 - City Council: Primary- \$175,000; General - \$200,000
 - City Controller: Primary - \$450,000; General - \$525,000

For City Attorney and Mayor, we agree with the numbers proposed by Ethics staff.

We appreciate your efforts to examine potential changes to the Los Angeles’ campaign public financing program. We urge you to consider stronger and more equitable approaches to our city’s campaign finance system. We believe these changes will give Los Angeles voters greater ownership in local elections, increase participation, broaden the kinds of donors who contribute,

and encourage more people from various economic, political, racial, gender, and traditionally underrepresented backgrounds to run for office.

Thank you for your consideration.

Sincerely,

Michelle Lim
Voting Rights Policy Advocate
Asian Americans Advancing Justice-Los Angeles



August 13, 2018

To: Vice President Serena Oberstein
Commissioner Andrea Sheridan Ordin
Commissioner Araceli Campos
Commissioner Melinda Murray
Commissioner Shedrick (Rick) Davis
Los Angeles City Ethics Commission
200 North Spring Street
City Hall, 24th Floor
Los Angeles, California 90012

Cc: Heather Holt, Executive Director,
David Tristan, Deputy Executive Director,

Re: Recommendations Regarding Campaign Finance Reforms

Dear Members of the Los Angeles City Ethics Commission:

Nearly three decades ago LA voters approved changes to our city's charter creating the framework for the campaign finance system we have today. As you finalize your recommendations for City Council, it is essential that this commission upholds three key purposes articulated in those charter amendments: 1) "to reduce the excessive fund-raising advantage of incumbents and thus encourage competition for elective office," 2) the "financial strength of certain individuals or organizations should not permit them to exercise a disproportionate or controlling influence on the election of candidates," and 3) "to increase the value to candidates of smaller contributions."¹

We respectfully ask you to consider those key purposes as you weigh the following proposals:

1. Increase the Maximum Amount of Public Funding Available to Candidates by at Least 51%.

The maximum amount of public funding available to a candidate has not been increased in the last 30 years. In that time, each council district has grown by approximately 50k residents and the buying power of a dollar has decreased by about 42%. With city elections moving from odd numbered years into alignment with Federal elections, candidates will need to reach a much

¹ LA Charter, Sec. 470 & 471, Findings and Purposes

larger electorate with drastically higher voter turnout compared to the 10-25% turnout we are used to. In the November 2016 Presidential Election LA County saw a 69% turnout.

Turnout will also likely increase beyond that in 2020 with the implementation of new early vote reforms. Voters in California will now have the additional option of casting their ballot at an early vote center in the 10 days prior to election day. City candidates should be expect to face a turnout significantly higher than any LA City election in nearly 50 years.² Additionally, the length of campaigns will grow substantially. The period of time between the primary and general elections will extend from about 10 weeks to 8 months.

2. Increase the Match Rate to 6:1 for Both the Primary and General Election

As the Ethics Commission has previously recommended, a 6:1 match rate will greatly empower small donors and allow grassroots candidates to mount viable campaigns. The last time an incumbent LA City Councilmember lost to a challenger was 15 years ago, and only one incumbent has been forced into a runoff since then.

If the commission opts for something less than an equal 6:1 match for both the general and primary, we ask that a higher 6:1 match rate be designated for the primary, and a lower match rate for the general. This will ensure that meaningful funding is available for serious challengers when it matters most, and early enough for them to build the proper campaign infrastructure (Note: candidates may not receive public funding until they are certified to appear on the ballot, 4 months prior to the primary). Once candidates make the runoff they have the attention and focus necessary to raise money.

3. Require an Aggregate of 25k In-City Contributions

Raising the aggregate qualification threshold above 25k would present a significant barrier to serious candidates that have demonstrated support and viability through a number of other criteria. While this aggregate threshold has not been adjusted for inflation, the additional in-district contribution requirements have since been added to ensure public funding goes to serious candidates with local support.

4. Require 100 In-District Contributions

The current requirement of 200 in district contributions should be lowered to 100. This still requires a significant measure of local support and will allow ethics commission staff to spend their time more efficiently. Requiring 100 in-district contributions properly calibrates what currently poses as a significant hurdle for all candidates seeking to qualify for public funds, and grassroots candidates in particular.

5. End the Requirement of 500 Additional Signatures

² In 1969 the LA City General Election saw a record turnout of 76%.

Currently for candidates to receive the highest match rates available they must gather an additional 500 signatures in district beyond the 500 needed to qualify for the ballot. This requirement offers little obstacle for incumbents with wide name recognition and those with the ability to hire paid signature gatherers, but offers significant challenges to candidates without pre-existing name recognition and/or a large pre-existing donor base to pay for signature gatherers.

6. Match the first \$100 of a contribution

A core purpose of the campaign finance charter reforms was to increase the value of small contributors to candidates. Currently the city matches qualifying in-city contributions up to the first \$250 dollars for City Council candidates (\$500 for city-wide). Lowering this to \$100 for City Council (\$250 for City-wide) is essential to empowering small donors, adjusting for a higher overall match-rate, preserving money designated for public financing, and accounting for aggregate limits the Supreme Court has struck down.

7. Strengthen the Debate Requirement

Candidates should be required to actually follow through and participate in debates. If the commission decides to allow town halls as a substitute it should specify requirements for the participation of opposing candidates in the same event, and the participation of the public.

8. Ban Contributions from Large Developers with Proposals Under Review

Councilmember Ryu has presented a closely drawn ban on contributions from large developers with items under city review. We also support his alternative proposal based upon the Metro-Recusal model.

9. Keep the Current Contribution Limit

Unlike many other provisions, the individual contribution limit already accounts for inflation. No additional increase beyond that is necessary.

Lastly, we would like to thank the Ethics Commission and staff for their comprehensive approach and ongoing work in this effort.

Sincerely,

LA Forward
March and Rally Los Angeles
Our Gov LA
Represent Los Angeles-San Gabriel Valley
The League of Women Voters of Los Angeles

August 13, 2018

Los Angeles City Ethics Commission
200 North Spring Street
City Hall, 24th Floor
Los Angeles, California 90012

To the Members of the Los Angeles City Ethics Commission:

Thank you for taking public comment and for revisiting, as provided by the city charter, the critical issue of campaign finance reform.

I am writing as a longtime resident of Los Angeles to encourage the Commission to recommend that City Council overhaul the current campaign finance system as soon as possible, and replace it with a more politically egalitarian system.

As you well know, the Ethics Commission was founded *by the people* in an act of direct democracy; in 1990, Los Angeles voters approved Charter Amendment H, establishing the Commission and creating a host of ethic reforms, including the matching funds program.

The intent of the resulting Campaign Finance Ordinance (CFO) was clear: to create an Ethics Commission that would develop, among other good government initiatives, a “comprehensive campaign finance system” with the outspoken aim “to encourage real choices for voters and help restore public trust in government.”

The Supreme Court has made carrying out that intent difficult, but not impossible. The Commission’s recommended policy should be designed around *amplifying* the voices of small donors, *increasing* democratic participation through the resulting small donor interaction, and *lowering* the barriers to entry for non-institutional candidates, including reducing current signature requirements, as well as lowering, not increasing, the current qualifying threshold.

The Sea Breeze scandal has taken its toll on City Hall’s public image. The last time an incumbent city councilmember lost an election was in 2003. Voters and countless non-voters have legitimate concerns about the appearance and practice of corruption in city government.

The Commission should be bold in its recommendations. Simply increasing the match amount without also tailoring the program to be more democratic and accessible would only strengthen the status quo – which would go against the ethos of the Ethics Commission and the legislative intent of the CFO.

Thank you for your time,
Calvin Sloan